

546-0730-87
121 pg
299 cy

JPRS-LAM-87-004

15 JANUARY 1987

Latin America Report

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

15 JANUARY 1987

LATIN AMERICA REPORT

CONTENTS

INTER-AMERICAN AFFAIRS

Rickey Singh Heads New Caribbean Media Association (TRINIDAD GUARDIAN, 1 Dec 86)	1
Text of Communique From OECS Meeting on Trade (CANA, 27 Nov 86)	2
Caricom States Agree To Implement Nassau Understanding (CANA, 3 Dec 86)	4

BRAZIL

Foreign Minister on Relations With USSR (Roberto Costa de Abreu Sodre Interview; ZA RUBEZHOM, No 49, 28 Nov-4 Dec 86)	5
Maciel on PFL Election Defeat, Debt, Constituent Assembly (Marco Maciel Interview; VEJA, 26 Nov 86)	9
Constituent Assembly Profile Seen as Conservative, Moderate (O ESTADO DE SAO PAULO, 23 Nov 86)	16

COLOMBIA

Top Customs Officials Fired; Replacements Named (EL TIEMPO, 9 Oct 86)	19
Customs Department Modernization Planned (EL TIEMPO, 12 Oct 86)	21
Customs Reform Urged To Penalize Smuggling (Fidelia Arboleda de Angel; EL COLOMBIANO, 13 Oct 86) ...	23

Official Announces Antismuggling Operations (Efrain Acosta; EL PAIS, 10 Oct 86)	25
Businessmen Urge Government Action To Prevent Smuggling (EL SIGLO, 4 Oct 86)	27
Businessmen Warn of Dangers of Smuggled Goods (EL TIEMPO, 12 Oct 86)	28
'Pirated' Pharmaceuticals Pose Health Hazard (EL COLOMBIANO, 13 Oct 86)	30
Reportage on Food Smuggling, Statistics (Various sources, various dates)	32
Situation Analyzed	32
Breakdown for Foodstuffs, by Carlos Pineros	34
Paper Analyzes Contraband Causes (Elias Velez Gonzalez; EL COLOMBIANO, 11 Oct 86)	37
Paper Describes Five Types of Coffee Smuggling (Felipe Gutierrez Vargas; EL SIGLO, 7 Oct 86)	39
Smugglers Arrested, Goods Seized (EL TIEMPO, 7, 8 Oct 86)	41
Vessel's Contents Confiscated, by James Arias	41
Fourteen Truckloads Seized, by Efrain Ovalle	42
Briefs	
Plan Proposed	44
Government To Study Problem	44
Attorney General Launches Investigation	44
Pork Contraband Feared	45

COSTA RICA

Arrival of U.S. Military Personnel Scored (Editorial; LIBERTAD, 29 Aug-5 Sep 86)	46
Possible 1990 PSUC Candidates Viewed (Ivonne Jimenez; LA NACION, 3 Nov 86)	48
PLN, PUSC Establish Dialogue (Ana Lupita Mora, et al.; RUMBO CENTROAMERICANO, 31 Oct-6 Nov 86)	52
Cut Opposes Government's Social Pact (LIBERTAD REVOLUCIONARIA, 29 Aug-4 Sep 86)	62

CUBA

Party Leaders Address Youth Issues in Five-Part T.V. Series (Goergina Jimenez; GRANMA, 22 Oct 86)	64
Machado Ventura Address to Third CDR Congress (Jose R. Machado Ventura; CUBA SOCIALIST, 1986)	66
Carlos Aldana on Ideology at Third CDR Congress (Carlos Aldana; CUBA SOCIALIST, 1986)	72
Abrantes on CDR-MININT Relationship at CDR Congress (Jose Abrantes; CUBA SOCIALIST, 1986)	77
Political Prisoner's Release, Prison Experiences Recounted (J. P. Garcia; GRANMA WEEKLY REVIEW, 9 Nov 86)	83
Economic Statistics Yearbook for 1985 Available (GRANMA, 22 Oct 86)	85
FAR Regiment, Others Aiding in Havana Telephone Repairs (Jose Antonio Roche; GRANMA, 4 Nov 86)	86
Power Outages Caused by Breakdowns, Construction Delays (Joaquin Oramas; GRANMA, 7 Nov 86)	87
Forestry Brigade Activities in Angola Described (Raisa Pages; GRANMA, 20 Oct 86)	89
Briefs	
Soviet Nuclear Safety Team Visits	91
Industrial Fires Discussed	91

DOMINICAN REPUBLIC

National Credit Bank Reports on Assets, Liabilities (LISTIN DIARIO, 6 Nov 86)	92
Central Bank Reports on Foreign Payments (Jose Romero; LISTIN DIARIO, 14 Nov 86)	94

GRENADA

Blaize Aides Capture Key Posts in NNP Elections (TRINIDAD GUARDIAN, 8 Dec 86)	96
Rifts in NNP May Give Gairy Opening for Comeback (TRINIDAD GUARDIAN, 16 Dec 86)	97
Bank Reports Mixed Economic Record for First Half of 1986 (DAILY EXPRESS, 12 Dec 86)	98

MEXICO

Unexpected Testimony Given by Key Durazo Case Witness (Rafael Medina Cruz; EXCELSIOR, 13 Nov 86)	99
26 Percent of Tax Revenues Said To Go Uncollected (Lourdes Galaz; LA JORNADA, 19 Nov 86)	103

PERU

COMERCIO on Brazil's Zanja Norte Plan (EL COMERCIO, 3 Nov 86)	105
Anniversary of PRC Diplomatic Relations Marked (EL COMERCIO, 2 Nov 86)	106
Reports on Changes, Corruption in Prison System (Various sources, various dates)	107
New Lurigancho Director	107
Lurigancho Inmate Escapes, Releases	107
Prison System Corruption	108
Former Lurigancho Director Punished	109
Prison 'Mafia' Dispersed	109
INPE Reorganization	110
Agriculture Minister Foresees Self-Sufficiency (EL NACIONAL, 21 Nov 86)	112
Briefs	
'Maranon' Crew Smuggling	114
Presidential Reelection Bill	114

/7310

RICKEY SINGH HEADS NEW CARIBBEAN MEDIA ASSOCIATION

Port-of-Spain TRINIDAD GUARDIAN in English 1 Dec 86 p 5

[Text]

KINGSTON, Nov. 30, Cana—AN ASSOCIATION, aimed at promoting the interest of Caribbean journalists and allied workers, was launched here today, with Guyanese journalist Rickey Singh as president.

Called the Caribbean Association of Media Workers (CAMWORK), the body is an umbrella group for eight existing media associations in the Caribbean—in Jamaica, Barbados, Guyana, St Vincent, Saint Lucia, Grenada, Dominica, and Suriname.

But officials said it was developing contacts with media groups in other countries, and where they did not exist, CAMWORK would support their formation.

Apart from Singh, other members of CAMWORK's executive are Saint Lucian Earl Bouquest, as first vice president; Barbadian Bertram Niles as second vice president, with responsibility for finance; Claire Forrester of Jamaica, as secretary; and Colin Williams of St Vincent, as her assistant.

Jamaica's Granville Newell and Guyana's Kallawan Lall will also sit on the executive, which was elected for two years.

lowed to be vague and complacent about their social positions," Singh warned, while attempts were made to undermine the region's culture and sovereignty and to lead it further into mendicancy.

Singh's sentiments were echoed by Caribbean Conference of Churches (CCC) General Secretary, Dr Allan Kirton, who formally launched the association.

Crucial Role Likely

The launching of CAMWORK climaxed a three-day regional seminar, sponsored by the Press Association of Jamaica (PAJ), examining issues in the Caribbean media, its relationship to development and the integration process, and directions it ought to take.

CAMWORK, its members say, could play a crucial role in this regard.

Singh said that CAMWORK would struggle against the negative influences, largely imported from outside the region, which prevented the media from playing its full and major role in national development and fostering regional unity.

But he warned that CAMWORK would not be a substitute for its member organisations, whose independence would be respected.

"Caribbean journalists cannot be al-

INTER-AMERICAN AFFAIRS

TEXT OF COMMUNIQUE FROM OECS MEETING ON TRADE

FL271730 Bridgetown CANA in English 1717 GMT 27 Nov 86

[Text] St Johns, 27 November--Economic affairs ministers of the seven-nation Organisation of Eastern Caribbean States (OECS) have agreed to work towards the complete liberalisation of trade within the sub-region by 1 January 1988.

A communique issued by the ministers last night at the end of a meeting here said agreement was also reached on a common approach to the development of the export sectors of member states.

Following is the full text of the communique:

At the ninth meeting of the economic affairs ministers of the OECS, the ministers reviewed the trade performance of the OECS states and noted that while there had been some increase in trade among the OECS-member states, the export performance of the OECS states to the rest of the Caribbean Community, (Caricom) had declined due to a number of trade restrictions and other difficulties applying in the other Caricom states.

The ministers agreed on the need to work towards the total liberalisation of trade among the OECS countries by 1 January 1988, and mandated the Economic Affairs Secretariat to carry out the necessary work towards this objective.

The ministers agreed on a number of measures to harmonise the customs laws of the OECS countries and to harmonise customs administration and procedures.

The ministers agreed on a number of steps that needed to be taken towards the establishment of an OECS investment promotion service in the United States. This investment promotion service is to be established with the support of the U.S. Agency for International Development (USAID).

The OECS economic affairs ministers agreed on a common policy for the development of their export sectors--this policy affirms the commitment of OECS-member states to adopt measures aimed at giving active support to their countries' export sectors.

The ministers discussed the problems of the paint and oils and fats industries in the OECS countries and possible measures that might be taken to secure the interests of these industries.

Finally, the meeting discussed certain problems that appeared to be looming in regard to the ability of Caribbean countries to access the resources for regional cooperation under the Lome Convention between the European Economic Commission and the African, Caribbean, and Pacific group of countries.

/12232

CSO: 3298/062

INTER-AMERICAN AFFAIRS

CARICOM STATES AGREE TO IMPLEMENT NASSAU UNDERSTANDING

FLO41515 Bridgetown CANA in English 1927 GMT 3 Dec 86

[Text] Georgetown, 3 December--Caricom member states have agreed to implement the Nassau Understanding on structural adjustment of their economies to respond to reduced markets for their products--bauxite, sugar, bananas and petroleum--the Caricom Secretariat said today.

The Nassau Understanding, agreed to at the conference of heads of government in 1984, was largely the recommendations contained in a report of the Caribbean Development Bank. The Nassau Understanding has been incorrectly referred to as the series of trade measures adopted to Caricom leaders at the same summit and designed to stimulate intraregional trade.

It recommends a revision of the common external tariff as a means of protection of industrial activity rather than quantitative restrictions.

Regional planners are also considering a range of fiscal incentives to industrial activities, removal of price control, and the training and retraining of displaced workers to improve efficiency in industry.

Structural adjustment also influences the exchange rate movement of currencies in the region, the Secretariat said.

Some Caricom countries have begun the process of reforming their economies, cutting back on expenditure by trimming public sector staff and reducing subsidies, devaluing their currencies, and boosting exports.

The Nassau Understanding acknowledged that the process can be painful and may reduce the standard of living.

The Secretariat said Caricom countries will be discussing aspects of adjustment in their economies with donor agencies in a meeting of the Caribbean Group for Cooperation in Economic Development in the new year.

The group, a World Bank creation for channelling international aid to Caribbean nations, held earlier discussions on the matter in June 1985 and later in April 1986, the Secretariat added.

/12232

CSO: 3298/062

FOREIGN MINISTER ON RELATIONS WITH USSR

PM051545 Moscow ZA RUBEZHOM in Russian No 49, 28 Nov-4 Dec 86 (signed to press 27 Nov 86) p 14

["Topical Interview" with Brazilian Foreign Minister Roberto Costa de Abreu Sodre by ZA RUBEZHOM special correspondent Vadim Polyakovskiy: "Optimistic About the Future"--no place or date of interview specified]

[Excerpts] [Polyakovskiy] How do you assess the present state of Soviet-Brazilian relations and what is your view of their prospects?

[Sodre] Trade and economic aspects predominated in relations between our countries in the recent past. As for political questions, their discussion boiled down to informal consultations to examine problems of the international situation on the eve of every UN General Assembly session; to conversations between our two countries' foreign ministers within the UN General Assembly framework (they were held in 1981-1982 and 1984); to holding regular sessions of the Brazilian-Soviet Intergovernmental Commission for Trade, Economic, Scientific, and Technical Cooperation; and to exchanges of parliamentary delegations. I personally had the honor back in 1949, in other words prior to the resumption of diplomatic relations between Brazil and the USSR, to head a delegation of deputies from the Sao Paulo State Legislative Assembly which visited your country.

Yes, there were quite a few initiatives, and yet it can be said that there was no success in achieving an effective political dialogue over the last 10 years. Pragmatism, concern with the development of economic ties, and awareness of the need to diversify trading markets--this is what determined our relations with the Soviet Union.

The birth of the New Republic (meaning the coming to power of President Jose Sarney's constitutional government in March 1985--V.P.) created an opportunity to engage in an effective political dialogue taking into account the stance of both countries, which are among the world's top ten economically developed powers. The December 1985 visits to the USSR by Olavo Setubal, Brazil's foreign minister at the time, by a parliamentary delegation headed by Senate President Jose Fragelli, and by Deni Lineu Schwartz, minister of urban

development and environmental protection [title as published], pursued the goal of raising the level of dialogue between our countries by laying the foundations for building a lasting political base of relations.

The current process of improving our bilateral ties presupposes that interstate relations will provide a mainstay for them. In other words, both governments must be concerned with their improvement. More specifically, the further development of relations will take the form of more frequent exchanges of visits at state level; the use of the conventional machinery of political consultations; a determined policy of expanding trade exchanges to a size suitable for both countries; greater efforts to study the mutual economic potential for the development of trade; greater dynamism of scientific and technical cooperation; and the gradual and balanced buildup of exchanges in the spheres of culture and sports.

Let me speak about the trade sphere in particular. The positive balance in Brazil's favor creates an obstacle in the way of expanding trade exchanges. We have already expressed in most general terms the opinion that the Soviet side must make additional efforts on Brazil's private market with a view to placing its goods, proceeding from the structure of bilateral exchanges.

Trade in consumer goods is difficult: Soviet demand for such goods is high, but compensatory deliveries are demanded in exchange and the relevant exports to Brazil depend on the availability (or lack) of similar Brazilian products. Exchanges in machine equipment and advanced technology are really highly promising. In this context I would like to note that, at the time when I was governor of Sao Paulo State, Brazil acquired Soviet equipment to build the "Capivara" hydroelectric power station. The high degree of sophistication of the equipment we purchased demonstrated to us that the USSR could become one of Brazil's major suppliers of technology.

Both our countries need to modernize their economies in order to successfully counter the enormous technological advance by Japan and the United States. These modernization efforts offer broad scope for our scientific, technical, and technological cooperation. There are broad prospects for exchanges in advanced technology and even for bilateral scientific research.

Cooperation between our two countries could be oriented toward the Soviet and Brazilian markets or to third-country markets. Various Brazilian firms are ready to join in production sharing with firms in the USSR in order to supply the Soviet market with goods it needs (instant coffee, orange juice, and so on for example). There are equal opportunities to create mixed companies to produce output especially for the Brazilian market. Again by way of example I would mention the Soviet project for the manufacture of methanol through timber hydrolysis (more than 1 million motor vehicles in Brazil today run on alcohol--V.P.). There are also highly promising third-country markets which we could supply jointly....

Wars in the Nuclear Age Are Reckless

[Polyakovskiy] Let us turn to the situation around Nicaragua. What, in your view, is the cause of the Central American crisis? Could you assess the importance of the Contadora process and the Contadora Support Group?

[Sodre] In our view, it is economic and social causes that underlie the crisis being experienced in this region. The interconnected aspects of this crisis--political, diplomatic, military, social, and economic--testify to its inherent complexity. And unless these problems are appropriately tackled (and we believe that the ultimate solution of these problems must lie through economic development and the attainment of social justice and political pluralism) the potential tension will sooner or later turn into violence.

We believe that the only way to pacification is to solve the conflict through talks. This must, moreover, avoid any forms of external interference and internationalization of disputes, because they lead to ideological polarization within the framework of East-West confrontation. It is also necessary to avoid attempts at a military solution of the conflict or at blocking diplomatic actions. This is why we advocate the continuation of diplomatic efforts in an atmosphere of tranquility and mutual trust. We deem it necessary that all members of the world community should refrain from building up tension in Central America. Brazil rigorously adheres to the UN Charter's fundamental principles, primarily those concerning the peoples' right to self-determination and noninterference in other states' affairs. Brazil is in favor of a quest for peaceful solutions through talks. This explains why we joined the Contradora Support Group.

From Brazil's viewpoint, the Contadora process has the following advantages:

--It takes the form of the creation by a considerable group of Latin American countries which are traditionally represented in the region of a machinery to conduct talks outside the UN and OAS framework, which have proved unsuitable as forums for peace talks on Central America but do give their support to the Contadora process.

--It makes a regional solution to the conflict possible. And even though the initiative encounters obstacles, it is impossible to deny its importance because it helps to avoid--while talks are in progress--the conflict's transformation into an explosion with unpredictable consequences for the entire continent.

This is why the Contadora Group (Mexico, Venezuela, Colombia, and Panama) and the Contadora Support Group (Brazil, Argentina, Peru, and Uruguay) received virtually unanimous support by the world community immediately following their creation.

Peacemaking Activity

[Polyakovskiy] Could you describe the Brazilian project for creating a "Zone of Peace and Cooperation in the South Atlantic?"

[Södre] On 27 October the UN General Assembly approved the proposal submitted by Brazil (with support from a large group of South Atlantic states) to create a "Zone of Peace and Cooperation in the South Atlantic." There were 124 votes in favor of the resolution, and only the U.S. representative voted against.

I would like to single out the following from among the most important aspects of the Brazilian initiatives which has been approved by the United Nations:

--The initiative proceeds from the premise that the littoral developing countries bear the basic responsibility for the South Atlantic. Consequently, we proposed that the main emphasis be placed on a political approach based on respect for and promotion of the legitimate interests of littoral states so as to make the South Atlantic an effective instrument of peace, cooperation, and development of the region's countries and keep it outside the framework of tension and international clashes which are alien to it.

--We hope that the South Atlantic will be spared the arms race and particularly the deployment of nuclear and other types of mass destruction weapons. It will thus be in the vanguard of worldwide efforts to create nuclear-free zones.

--And another point, also worthy of attention. I mean the Brazilian initiative's concept of cooperation taking various forms--both in the economic sphere (including expansion of trade exchanges and technical cooperation) and in the development of new and promising spheres which could make use of the biogeographical similarity and mutually supplementary nature of West African and South Atlantic countries. These are long-term goals, and their achievement will demand intensive efforts by all littoral states.

/6662

CSO: 1807/102

MACIEL ON PFL ELECTION DEFEAT, DEBT, CONSTITUENT ASSEMBLY

Sao Paulo VEJA in Portuguese 26 Nov 86 pp 5-6, 8

[Interview with Marco Maciel, chief of the Civilian Household of the Presidency, by Etevaldo Dias, on 19 November 1986, place not given; first two paragraphs are VEJA introduction]

[Text] Minister Marco Maciel, 46, is chief of President Jose Sarney's Civilian Household. He is in the habit of setting his watch ahead by 30 minutes so as not to fall behind with his appointments. It does no good, since the appointments on his overloaded agenda frequently run beyond the time allotted. Marco Maciel had also set the hands wrong on the political clock marking the elections on the 15th of this month. In Sao Paulo, the minister had invested in the candidacy of businessman Antonio Ermirio de Moraes, whereas the local PFL [Liberal Front Party] was putting its chips on that symbolic enemy of the Democratic Alliance, Paulo Maluf. Both candidates were beaten at the ballot box by Deputy Governor Orestes Quercia of the PMDB [Brazilian Democratic Movement Party]. In his home state of Pernambuco, Marco Maciel had put together a front consisting of sugarmill owners and the old leader of the Peasant Leagues, Francisco Juliao, and that combination was destroyed by the PMDB hurricane led by Miguel Arraes. Concerning that massacre at the ballot box, the PFL leaders says: "This defeat will not be an orphan. I assume responsibility for the failure."

Marco Maciel has an enviable record. Elected to the Pernambuco State Assembly in 1966, he later served two consecutive terms in the Federal Chamber of Deputies and became governor of his state at the age of 38. In 1982, he was elected senator on the PDS [Social Democratic Party] ticket against the tide of votes for the opposition. A minister selected for his post by President Tancredo Neves while the Democratic Alliance was being sewn together, Maciel became a trophy coveted by opponents as soon as the polls began predicting a victory for the PMDB. Once the votes were counted, the shots fired against his remaining in one of the cabinet's most sensitive posts increased. "Although my neck may be appetizing to many people, it is in President Sarney's hands," says the minister. On Wednesday of last week, while still busy totting up the figures to see how many deputies and senators the PFL could count on to defend its liberal proposals in the National Constituent Assembly, Maciel devoted 3 hours of his time to this interview with VEJA.

Only President Dismisses Ministers

VEJA: Minister, what is good about this defeat?

Maciel: Anyone who loses an election has little to do except send a telegram to the winner. I admit that I lost, and it now remains for me to analyze the reasons and look for lessons that the adverse outcome has for me. Economist John Kenneth Galbraith once said that victory has many fathers but that defeat is an orphan. But this defeat will not be an orphan because I assume responsibility for the failure. Since the start of the campaign, I have kept in mind a remark made by Marshal Foch (the Allied commander in World War I) before one of his battles: "If I win, many people will be responsible for this victory, but if I lose, the only one defeated will be me."

VEJA: But why only you? After all, Governor Roberto Magalhaes, for example, who ran for the Senate, was clearly defeated at the ballot box in Pernambuco.

Maciel: I am responsible because in one way or another, it was up to me to be in charge of the process. Also because by taking responsibility for this defeat, I am avoiding a long and useless discussion about who is responsible and moving ahead with the debate about the real causes so as to correct them with a view to the party's future.

VEJA: Minister, you have a long slender neck. Your opponents are probably thinking that it will be easy to chop it off, are they not?

Maciel: I feel that this question of cabinet reform is a matter that does not concern me. We have a presidential system, and under that system, it is up to the president to appoint and dismiss his ministers. I can only say that I am in the cabinet at the invitation of President Tancredo Neves, an invitation that was reiterated by President Sarney. I did not want a cabinet post; I preferred to remain outside organizing the PFL. But I eventually accepted the invitation at President Tancredo's insistence. In other words, although my neck may be appetizing to many people, it is in President Sarney's hands.

VEJA: With so many complications in Pernambuco, who did you also get yourself involved in Sao Paulo by organizing Antonio Ermirio's candidacy?

Maciel: I always felt that Antonio Ermirio represented a new option for Sao Paulo and the country. He was a candidate representing the renovation for which society is yearning so much. He was a candidate who could grip people's attention, as was shown by the election polls, incidentally, on a number of occasions. That was why I was rooting for him. I feel that the New Republic presupposes renovations, transformations, and changes that also require that we make new people available. Democracy is based on alternation, and that means new leaders. I felt that Antonio Ermirio was a candidate who summed up the country of the cruzado.

VEJA: His candidacy put you on very bad terms with the PMDB in Sao Paulo and in particular with the governor-elect, Orestes Quercia. How are your relations with the PMDB in Sao Paulo now?

Maciel: That is a judgment which I am not in a position to make. I can only say that no one has tried as hard as I to strengthen the Democratic Alliance, which I consider very important to the success of President's Sarney's program. I also consider the alliance important to the Constituent Assembly. It must be kept alive until President Sarney's successor takes over.

Baptism of Liberal Front

VEJA: You were the only leader within the PFL to expose yourself nationally in these elections. All the other party leaders concentrated more on their own states. Doesn't that attitude on your part interfere with the exercise of your duties as minister-chief of the Civilian Household?

Maciel: I would like to make a distinction between two roles. It is one thing to be minister-chief of the Civilian Household, and it is something else to be one of the Liberal Front's founders. As chief of the Civilian Household, I act as someone interested in enlarging and strengthening the Democratic Alliance. As one of my party's leaders, I want to see it strengthened. We must strengthen the multiparty system in this country, and at this moment, the Liberal proposal is necessary.

VEJA: What is the PFL's situation following the elections?

Maciel: I can draw two conclusions from these elections. First, the Democratic Alliance has come out of them stronger--that is, President Sarney will have an even larger base in Congress. Second, I believe that there has been no substantial change in the combination of political forces making up the Democratic Alliance. The PMDB grew stronger in the National Congress, but so did the Liberal Front Party. The party participated in its first major elections this year. This is the year in which we made our first definite mark. I believe that despite the municipal elections last year, this was the year of our baptism. It demonstrates excellent performance that a 1-year-old party was able to become the nation's second-largest political force in what was practically its first appearance at the ballot box.

VEJA: Even though the PMDB elected almost all of the country's state governors?

Maciel: Observe that we will wind up with something in the neighborhood of 120 senators and federal deputies. That shows that the PFL is an extremely important party, all the more if we remember that it has been in existence for what amounts to 1 year, while the PMDB has existed for 20 years. After the 1970 elections, the PMDB had 87 deputies and had still not elected 10 senators, even though it was already 5 years old at the time.

VEJA: But do you think it is possible to keep the alliance alive even with a greatly enlarged PMDB?

Maciel: In relative terms, the alliance has not changed. The PMDB has always been the largest force, and the PFL has been second largest. I have no doubt that the PFL has grown as a result of these elections. So the balance of

forces within the alliance has not changed. The only change we can see is that the alliance has grown larger in Congress because both parties have grown larger. That will give the president a larger political base.

VEJA: Can it be that the alliance is experiencing a mortal crisis, Minister?

Maciel: I don't believe the fact that it was possible to confirm the alliance in just a few states--only four--means that it is in crisis. People who think the alliance is in crisis as a result of these elections are wrong. Besides, those same observations were made last year after the excitement of the municipal elections, and especially just after the campaign. Many people felt even then that the alliance was compromised, but what we have seen since is that it has remained and grown stronger. Anyone who wants to can observe that the alliance has come out of these elections stronger than before. Without the PFL in some states--in Rio de Janeiro, for example--the opposition might have won. Actually, the alliance won throughout Brazil, either through a combination of the two parties or through the PMDB and the PFL separately.

VEJA: One current point of friction between the PMDB and the PFL is the debate over President Jose Sarney's term of office. Do you think that topic may polarize the Constituent Assembly?

Maciel: I feel that the matter will eventually be resolved because in fact, that will not be the main problem to be debated by the Constituent Assembly. Personally, I feel that a president should serve for 5 years and be ineligible for reelection, in accordance with Brazilian tradition. As far as President Sarney's term is concerned, I think he should serve 6 years because he was elected for a 6-year term. We must also remember that President Sarney is the man who is heading up the country's political transition, and that 6-year term will be necessary so that he can consolidate the process.

We Will Agree on How To Disagree

VEJA: How are the PFL and the PMDB going to work together in the Constituent Assembly? Isn't there a danger that even ideological disagreements are going to separate the two parties in the Constituent Assembly?

Maciel: A constituent assembly presupposes a qualified quorum, and if the two parties do not work together, it will be very difficult to approve the text of the new Constitution. Since all of the country's problems will be debated, it is to be expected that there will be disagreements on specific topics. Because of that, a quorum much larger than an absolute majority will be needed so that natural disagreements on a few points will not jeopardize the minimum number of votes required to approve those points. I am also afraid that if there is not a stable majority, the text that results from those debates may not be very strong, organic, or enduring, which is what is desirable.

VEJA: And who should preside over the Constituent Assembly?

Maciel: The feeling is that it should be presided over by the PMDB, and the most natural candidate is Ulysses Guimaraes. That brings up an interesting

point, by the way: this will be the first constituent assembly to be presided over by a deputy. In all the others, the chairman was a senator.

VEJA: Are you in favor of a parliamentary system?

Maciel: I favor a presidential system, but I advocate a new equilibrium among the three branches. I consider it necessary to give the judicial branch a political role, partly so that in certain cases it can initiate action on its own. In the United States, the judicial branch is even empowered to request the resignation of a president, as happened in the case of Richard Nixon. In Brazil, the financial scandals were not properly investigated because the judicial branch did not have the power to act spontaneously. I also support a legislative branch with full prerogatives so that it can keep track of, control, and supervise government action. Not control and supervision after the fact, but a priori: the right to demand an accounting and to keep an eye on actions by the executive branch.

VEJA: What would be an ideal Constitution for the country? Should it be compact?

Maciel: I believe I can sum it up as follows: we must make the Constitution a pact in which we agree on how to disagree. We must include in the Constitution only what is essential to a preeminently political pact. That which is operational and circumstantial should not be part of a constitution. Only that which is institutional should be included. For example, we must establish mechanisms with respect to policies on technology, but not go into details concerning practice, otherwise the danger exists that we will be rapidly overtaken by changes in that area.

Always in Favor of Agrarian Reform

VEJA: In the field of economics, what, in your opinion, is the area most sensitive to the country's interests and the one that should receive the most attention at the Constituent Assembly?

Maciel: The revolution currently being experienced by the world is technological, and it is going to have a greater impact than the industrial revolution. I believe that we must prepare ourselves for that revolution under penalty of seeing a widening of the gap that already separates us from the more developed nations. A form of colonialism more serious than the economic colonialism marking the industrial revolution may emerge. It would be technological colonialism.

VEJA: In your opinion, is a protected market of the kind that exists with respect to data processing a way in which the country can protect itself from that danger?

Maciel: I was one of the first congressmen in the country to advocate the institutionalization of data processing policy. I feel that a protected market is essential in that case. When it comes to other sectors such as fine chemicals and genetic engineering, we must examine them on a case-by-case

basis. It is not possible to discuss this in the abstract because there are many variables in each situation. Generally speaking, however, our Constitution must include mechanisms making it possible to formulate scientific-technological policy.

VEJA: Do you feel that the Constituent Assembly must be given a deadline for completing its work?

Maciel: The first thing that must be done on 1 February, besides electing the officers of the National Constituent Assembly, is to discuss internal rules so that a date can be set for conclusion of the work. I am afraid that if a deadline is not set, those debates will go on indefinitely, and that is bad. Everybody will be waiting around for the Constitution and the Constituent Assembly. Everyone will be wanting to know what the country's Constitution is going to be like so that decisions can be made. The country will come to a standstill while waiting to know which direction to take. There will be external repercussions as well. Investors, for example, will wait for the rules of the game to be established before investing in the country. We cannot allow that to happen. We must have a set term for the Constituent Assembly, and it should be as short as possible.

VEJA: Are you thinking of a new economic model for the country?

Maciel: We cannot be a "Belindia"--that is, a combination of Belgium and India. We need to have an organic development process that will make the social differences between people and regions disappear. As a Northeasterner, I feel that very keenly and emphatically. I am in favor of embedding the ideas of modern liberalism, which seeks to reconcile freedoms with equality, in the Constituent Assembly. Along with public freedoms, we need to ensure that everyone can participate equally in social life. That will correct the very sharp interpersonal differences within the country.

VEJA: How could an economic reform promote that equality among people?

Maciel: We must think about mechanisms for profit sharing and about comanagement in the firms. We must also think about the land problem, which is the nation's most serious problem, so that there will be more social justice. Our challenge is to do all this by peaceful and democratic means.

VEJA: But you have been accused by the PMDB of obstructing agrarian reform.

Maciel: There is no basis to that. I believe that the best person to talk about this is Minister Dante de Oliveira. All my life I have been an advocate of agrarian reform. I feel that the accusation is based on a distorted view of my role in the Civilian Household, where we have to sift through every process that has some imperfection here or there. But never have I tried to hamper agrarian reform. I have always defended it.

VEJA: Concerning the foreign debt, do you agree with the proposal by the Afonso Arinos Commission that payment of our debt be restricted?

Maciel: The problem of foreign debt is one of the most dramatic problems facing the country today, especially since we succeeded in checking inflation through the Cruzado Plan and giving stability to the country's process of growth. The government has already taken some steps, but that is not enough. The country has a tradition of honoring its obligations, and to maintain that tradition it will be necessary to renegotiate the debt to obtain longer terms and lower interest rates.

Too Early To Talk About Succession

VEJA: And how about the presidential succession? Would you support anyone? Ulysses Guimaraes, for example?

Maciel: I feel that it is too early to talk about the presidential succession. We cannot talk about the "after" before we talk about the "before." Right now we have to consider what the Constituent Assembly is going to decide in that area. It is too early, but I have no reservations about Ulysses Guimaraes, who is respected and esteemed throughout the country and has made a notable contribution to the restoration of democracy.

VEJA: Your name is always mentioned, and after all, you have been in the running for nomination before. Are you a candidate?

Maciel: That is not up to me. It will depend on when the process begins and on the positions of the political forces that will administer the process of succession.

VEJA: While the people were voting for a Cruzado Plan, government economists were carrying out studies to change it. Don't you feel that that was a betrayal?

Maciel: Any reform that is put through--and you can write this--will not harm the middle class and the workers. The government will maintain for all classes the gains achieved through the redistribution of income brought about by the Cruzado Plan. There is no betrayal because the plan will be adjusted, but its effects will not be nullified.

11798

CSO: 3342/41

CONSTITUENT ASSEMBLY PROFILE SEEN AS CONSERVATIVE, MODERATE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Nov 86 p 7

[Text] Judging from the results known so far--the counting is slow in many of the states--the National Constituent Assembly that will convene on 1 February will be predominantly conservative and moderate, "more so than was anticipated in the most frenzied moments of terror," according to political scientist Bolivar Lamounier. This means that progressive proposals for the future Constitution will be supported only by a minority of deputies and senators belonging not only to the PMDB [Brazilian Democratic Movement Party] but also to the PT [Workers Party] and the PDT [Democratic Workers Party]--parties that are ideologically diverse. The big winner in these elections in all the states--the PMDB--includes representatives of all the labels that have been pinned on Brazilian politicians, from conservative and liberal to progressive and leftwing. And that is the party which will have to continue providing support for the social changes required by the country, according to its regional chairman in Sao Paulo, Almino Afonso. Almino, who was elected deputy governor, conceives of the PMDB as a party of "mass democracy" as well as social democracy, but not as one going all the way to socialism.

With almost an absolute majority in the Federal Chamber of Deputies, the PMDB has everything it needs to become a single party. That leads Lamounier to fear that the party, fearing internal difficulties, will not stand up to the debate in the Constituent Assembly. But from one end of the country to the other, those who elected the PMDB to the Chamber of Deputies comprised only a small percentage of the electorate. The number of blank ballots caused surprise everywhere.

The hope of some PMDB leaders is that the party's federal bloc will not be conservative. Although the results are demonstrating the opposite, the PMDB's secretary general in Sao Paulo, Aloysio Nunes Ferreira, is rooting for the PMDB to move "a little more to the left, in the direction of changes"--if not because of the personal values of its members, then at least out of a concern for survival. He is afraid that the voters will respond unfavorably in the next elections. But it was those same voters, from North to South, who rejected the Left and elected moderates and conservatives, whether PMDB members or not.

Of the 33 deputies and senators elected to the Constituent Assembly from Rio Grande do Sul, probably only four—including two from the PT—are likely to give systematic support to the "progressive" proposals. Of the two senators that were elected, that group is apt to rely more on Jose Fogaca than on Jose Paulo Bisol. The conservative profile of the bloc from Rio Grande do Sul is illustrated in the five members elected by the PDS [Social Democratic Party] and the two elected by the PFL [Liberal Front Party], but also in two of the four PDT members, who belong to the same party as Rio de Janeiro's Governor Lionel Brizola. Moreover, the majority of the 17 PMDB members are moderates. Only such congressmen as Hermes Zanetti or Jorge Ueque, plus a few others, are mentioned as probable allies of PT members Olivio Dutra and Paulo Renato Paim.

While there are many new faces in the bloc from Rio Grande do Sul—of the 32 elected in 1982, only 12 were reelected—the change in Santa Catarina totaled 75 percent. Although most of those "newcomers" are appearing for the first time, they tend to be conservative, with exceptions such as Deputy Francisco Kuster, one of nine PMDB members elected to the Constituent Assembly. That tendency in the opposite direction from "progressivism" was explained by Kuster: part of his own party's bloc was elected with the support of Santa Catarina economic groups "responsible for the buying of votes."

The abuse of economic power was not an exclusive privilege of Santa Catarina's politicians. Parana wound up choosing "no-good candidates who would pay" over "authentic" candidates—even in the case of the PMDB, which is regarded as a center-left party in that state—and former Maluf supporters wound up taking the place of "historical" candidates. Of the champion vote-getters in these elections, only Mauricio Fruet, former mayor of Curitiba, had some tradition behind him. The others, such as businessman Mauricio Nasser and the manager of the Bamerindus Bank, Basilio Villani, had never before faced the people at the ballot box. Representatives of the Ruralist Democratic Union (UDR), such as Alarico Abib and Jovanni Masini, also received a large number of votes.

Unlike its counterpart in Sao Paulo, the PMDB's leadership in Parana is not worried about the behavior of its bloc, the majority of which is conservative, since the governor-elect, Alvaro Dias, regarded as a progressive, will set the tone for the federal deputies. He is not interested in building a progressive government while the bloc representing him in Congress is conservative.

Analysts seem more annoyed than the politicians themselves by the profile of the Constituent Assembly. Like Bolivar Lamounier in Sao Paulo, political scientist Lucilia de Almeida Neves Delgado—Tancredo Neves' niece—not only sees the PMDB losing its character in Minas Gerais, but also criticizes its monopolization of the bloc. Lucilia remarks that "it is bad for democracy" that the PMDB should have 40 of the 54 seats in the Chamber of Deputies. "The ideal situation would be for the PMDB to have a majority but not a monopoly." But her biggest complaint has to do with the election of "people who have nothing in common with the traditions of the PMDB in Minas Gerais," examples being Ruy Lage, Roberto Brant, and Bias Fortes, "who are the most conservative members of the party." The political scientist wonders what those future members of the Constituent Assembly "represent in terms of the struggle

against authoritarianism, the defense of pluralism, incentives for popular participation, and the defense of democracy."

The situation with representatives of moderate and conservative views is repeated not only in Alagoas and Para but also in Espirito Santo and Rio de Janeiro. In the latter, because of the delay in publishing official bulletins on the vote count--that being the only available source of information on proportional voting results--the only possible statement that can be made is that the radical Left and the "raging Right" have been roundly defeated. The only representative of the latter will be, possibly, PDS leader Amaral Neto. The PDT, defeated in the election for governor, will probably elect 12 or 13 deputies, most of them bound more by personal commitments to Governor Brizola than to an ideological line.

Conservatism remains in Alagoas. The only new member of the Chamber of Deputies will be Eduardo Bonfim (PMDB), a former student leader who has ties with the PCdoB [Communist Party of Brazil]. He, along with fellow party member Renan Calheiros, will be a minority in the bloc. The situation in the Senate is a little more balanced: former Governor Divaldo Suruagy is on the center-right, while Teotonio Vilela Filho describes himself as a liberal.

The federal bloc from Goias--17 federal deputies and 2 senators--also consists of candidates professing to be on the right or the center-right. Only two members of the Constituent Assembly--Senator Iram Saraiva and Deputy Aldo Arantes--can be regarded as leftists. The reason is that Nion Albernaz, Goiania's former mayor, says he is on the center-left--and dislikes labels.

In its first election for the Chamber of Deputies and the Senate, Brasilia chose for the Constituent Assembly a bloc identified with popular causes. At least that is what those elected, on the right or the left, say they support. Among those elected, well-known "progressives" are Mauricio Correa of the PDT, who does not accept the Brizola group's guardianship, and Pompeu de Souza of the PMDB, an untiring critic of authoritarian governments. Along with those two senators, Brasilia's voters elected conservative Jofran Frejat (PFL) and Francisco Carneiro (PMDB) of the center-right, who has ties with the national business community, to the Chamber of Deputies.

Of those elected to the Constituent Assembly throughout the country, there were few--Mario Covas of Sao Paulo, for example--who attracted the attention of most of the voters. The torrent of blank and voided ballots startled everyone, but there is no unanimity as to its causes. Some attribute it to the "complicated" voting system, which was confusing primarily to illiterates and semiliterates; others prefer to blame the fact that elections for posts to be filled by majority and proportional votes were held simultaneously. Still others, among them Prof Eduardo Viola of the Federal University of Santa Catarina, who has a doctorate in political science, say that the blank ballots are the response by voters disappointed in the performance by congressmen over the past 2 years.

11798

CSO: 3342/41

COLOMBIA

TOP CUSTOMS OFFICIALS FIRED; REPLACEMENTS NAMED

Bogota EL TIEMPO in Spanish 9 Oct 86 p 3-A

[Text] Last night the government effected the most thorough shakeup in the National Customs Department seen in recent years. It relieved eight of the 10 top officials in that body of their posts.

This decision was implemented 33 days after the new customs director, Eng Jose Joaquin Palacios, began an evaluation of the personnel files of the leading officials in the department.

Authorized spokesmen said that this investigation will be extended to the majority of the administrators in the Customs Department throughout the country and section heads on the central level.

The government decision affected Huber Restrepo, deputy director general of customs; Jorge Eliecer Daniels, deputy director for investigation and control; Manuel Hernandez Leyton, deputy technical director; Jorge Alberto Maestre Maya, head of the administrative services division; and Fabio Parra Morales, head of the appraisal division.

The executive branch also decided to replace Jorge Arturo Coral Cordoba, head of the inspection section, and Rafael Enrique Hurtado, head of the special investigations division, the official who headed the investigation of the diplomatic vehicle scandal, the alleged smuggling involving dozens of individuals lost to the country in the "brain drain;" and the smuggling into the country of several Rocket missiles.

To date the executive branch has not made an official decision as to whether Jaques Espinel, head of the customs duty division, and Edginardo Suarez, head of the legal division, will remain in their posts or not.

The dismissals took place on 3 October but were not announced until last night.

Jorge Eliecer Daniels became deputy director general for investigation and control in March of this year, after having served for 5 years as head of the administrative division.

Two weeks ago, Daniels was appointed to represent the National Customs Department on the National Narcotics Council. This jurist was the director of the investigation which led to the discovery of the continuous looting of goods in Barranquilla, Cali, Buenaventura, Santa Marta and Medellin.

New Appointees

EL TIEMPO has learned that the individuals who will replace the officials dismissed on the orders of the Ministry of Finance have been named. The appointees are Ivan Guitierrez Restrepo, as the new deputy director general of customs; Gilma Mora, who will serve as deputy director for investigation and control; and Julio Cesar A. Montoya, who will head the Administrative Services Division.

Other appointees include Hector Hernan Rios Ospina, head of the appraisal division; Angel Villamizar Luciani, head of the inspection division; and Army Maj Jose Cala Suarez, who will head the Special Investigations Division.

The deputy directors and division heads who were dismissed from their posts had submitted pro forma resignations at the beginning of August.

The announcement of the changes yesterday caused consternation in the National Customs Department, where it was expected that some of the officials who were dismissed would be confirmed in their posts.

5157

CS0:3348/89

CUSTOMS DEPARTMENT MODERNIZATION PLANNED

Bogota EL TIEMPO in Spanish 12 Oct 86 p 12-A

[Text] The National Customs Department plans to introduce data-processing and telecommunications systems and methods to make the processes of importing and exporting goods more flexible and expeditious.

In a statement to the press, the new director of that body, Eng Jose Joaquin Palacios, explained that the campaign against smuggling and the adoption of practical systems to facilitate the foreign trade process will be the pillars of the new administration.

Palacios announced the regulation of the Customs Code, the establishment of a legal-data-processing program, and a review of the procedures to be followed by importers and exporters in connection with the payment to the state of customs duties and tariffs on the products shipped in or out of Colombian territory.

Simultaneously, this official said, the Customs Department will create a specialized division which will be responsible for checking on the results of the criminal suits filed by the Department.

He also added that the new administration expects to provide customs agents and sections with the resources they need to make their operations truly flexible and efficient.

Palacios explained that the institution plans to adopt measures enabling it to offer better and more speedy service to the public. The introduction of data-processing and technical systems for the archives and documentation centers are among the other projects to be implemented, beginning in the next few months.

The press statement indicated that in the last 3 months, the Customs Department has confiscated goods worth more than 2.5 billion pesos and has collected about 158 million pesos in customs duties.

The reforms which will be carried forward will have as their basis some of the suggestions which will be made to the state by the economic associations at the forum scheduled to be held on 14 October.

The statement said in conclusion that the Department will devote special attention to the reports about increased smuggling made by such associations as the FENALCO, which has estimated the value of the goods smuggled into the country every year at about 140 billion pesos.

5157

CS0:3348/89

CUSTOMS REFORM URGED TO PENALIZE SMUGGLING

Medellin EL COLOMBIANO in Spanish 13 Oct 86 p 7-A

[Article by Fidelia Arboleda de Angel]

[Text] The high costs of equipment and replacement parts for vehicles are not due to speculation, but to economic management measures, that is to say the very high customs duties, the high interest rates for domestic and foreign currency operations and many other factors, prominent among which is the deterioration of our currency in relation to the currencies of the countries from which a large part of the automobile parts come. This explanation was provided here in Medellin by the executive president of the ASONAR, Jaime Cruz Gonzalez, who warned that the greatest problem in transportation is perhaps the high cost of equipment.

He noted that Colombia must import a high percentage of the replacement parts for automotive vehicles which come from countries with very hard currencies, such as the United States, Japan, Germany, France and even Spain.

Measures Needed

At a meeting with local newsmen, Jaime Cruz spoke about the production of automobile parts in the country, urged the renewal of the automotive fleet, reported on the commercial auction of vehicle parts scheduled for 7 November in Pereira, and discussed smuggling, which he termed the greatest scourge of the automotive vehicle parts industry and trade. He said it is urgent that the government adopt a series of economic measures to deal with the causes which lead to the smuggling of parts, because this is a typically economic crime. He urged improved technical facilities for the customs department, as well as the allocation of economic and human resources to improve its ability to penalize smuggling. He stated that this is an institution which should contribute to making foreign trade more dynamic, rather than hindering it.

Morality in the Customs Department

Smuggling, Cruz Gonzalez said, is the result of high customs duties and tariffs. It is caused by the shortage of products which are indispensable and for which there are no substitutes. High prices and low quality have led customers to prefer foreign products, while imports are blocked.

The spokesman for parts suppliers said that there is smuggling when enterprise capacity is so limited that business profits are based precisely on tax evasion, and when some officials force importers to pay bribes to have everything in order, under the threat of having their goods held for inspection.

For this reason, the president of ASONAR suggested a reorganization of the customs structure such as to modernize it and provide it with technical facilities, a proper system and a moral content. He expressed the view that the Rotating Customs Fund also needs review, or even elimination, because as it functions at present, it serves no good purpose. To illustrate this statement, he pointed out that it is the duty of this body to make customs manifests available, but each year it happens that they are not available, and Colombian foreign trade is paralyzed.

Sustained Growth Needed

After urging a consistent and continuing automotive policy involving the four segments which make up the Colombian automotive sector--transportation, terminal plants, manufacturers and auto parts dealers, Jaime Cruz reiterated that there is no sustained growth in the domestic production of auto parts.

The policy should be oriented basically toward expanding markets so as to achieve sizable savings, which if they are needed in any sector of activity, it is the automotive industry precisely.

He announced some domestic auto parts production figures, which proved to be 21 percent lower for 1983 than for 1982, up 60 percent for 1984, down 14 percent in 1985 from the 1984 figures, and down 10 percent from the 1982 figures. These data are truly alarming because of the drop in production and the excessively high prices they reveal, he reiterated, commenting that no sustained growth has been seen.

Fleet Renewal Needed

He asked for urgent measures to make the renewal of the automotive fleet possible, because 40 percent of it is obsolete and unproductive and involves a high risk to safety and extremely high maintenance costs.

The Carriers' Association has submitted plans and alternatives to the government for the renewal of the automotive fleet. There can be no postponement or waiting here, this official warned, and he said that plans should obviously call for the destruction of the vehicles which must be replaced, so that they will not continue to be used in schools or municipalities remote from the leading cities.

5157

CS0:3348/89

COLOMBIA

OFFICIAL ANNOUNCES ANTISMUGGLING OPERATIONS

Cali EL PAIS in Spanish 10 Oct 86 p B-2

[Article by Efrain Acosta]

[Text] Valle Finance Secretary Fernando Tello Dorronsoro announced yesterday that major operations will be launched on the frontiers of the departmental territory in an intensive campaign against the smuggling of liquor and cigarettes, and including supervisory actions.

This official said that the operations will also be extended to the various cities affected by the commission of this crime.

He said that smuggling of these products has intensified in recent months, but he expressed confidence that the security plan which has been drafted by the section administration will yield the expected results.

Restructured Districts

Tello Dorronsoro explained that the government is reorganizing the nine revenue districts in Valle.

He said that definite police collaboration will contribute to the success of the operation.

He further said that surveillance of the main highways and secondary roads in the department will be increased, and more intensive control will be exercised at key points, such as the municipalities of Buenaventura and Alcala.

He explained that in Buenaventura, the smuggling and consumption of aged rum from Caldas, as well as foreign liquors, has reached a high level, and in Alcala as well, the volume of liquor brought into Valle from other departments has also increased greatly.

Sizable Losses

He also reported that sales of adulterated aqua vitae have increased, with the serious threat to health that involves, and he spoke of the existence of numerous stills at various locations in the district.

He estimated the losses in fiscal income to the department due to this liquor problem at 600 million pesos every half year, to which are added the amounts resulting from the smuggling of foreign cigarettes.

Dynamic Action Needed

The finance secretary complained of the lack of dynamism on the part of the officials who should push the operations and the control of this scourge forward. "Dynamism is lacking, and thus the control is not as strict as is needed," this official said.

He explained that the problem does not require an attack through greater bureaucracy in the district, but that what is needed is for control activities to be made more efficient.

The finance secretary said that he regarded entering into agreements with liquor dealers in other departments to deal in their products ill-advised. This would help to justify the presence of liquors of various brands in our area, thus intensifying smuggling.

Although he said that the Valle Liquors Industry is selling all of its production, he commented that liquor smuggling nonetheless deprives Valle del Cauca of substantial income.

Regional Consumption

He denied that smuggling is justified by the good quality of the products of liquor dealers in other regions, as compared to ours. "The Valle aqua vitae is a product which consumers like very much," he said.

He added that the consumption in Valle of liquor products from Caldas, Cauca, Narino and other departments is the result, generally speaking, of the fact that there are numerous settlements in Valle of citizens from most of the other regions in the country.

He noted that regional tastes exert a vast influence on liquor consumption.

He said that it is therefore necessary to use the resources available to the sectional government to deal with the problem.

However, he explained that citizens' collaboration accounts for a large part of the success in the results obtained.

He said that the community must bear in mind the fact that the resources obtained from taxes on cigarettes and liquor return to benefit them.

He said that it is precisely this income which is allocated for the financing of projects in the sectors in Valle in which the need is so great, such as health, education and recreation.

BUSINESSMEN URGE GOVERNMENT ACTION TO PREVENT SMUGGLING

Bogota EL SIGLO in Spanish 4 Oct 86 pp 1, 6

[Excerpts] Organized trade has issued an appeal for help from Pereira, demanding structural reforms in the realms of taxation, labor and finance in order to rescue the country from the scourge of smuggling. Also, the FENALCO demanded the total dismantling of the Rotating Customs Fund.

A document submitted at the FENALCO assembly entitled "Smuggling in Colombia--Assessment, Manifestations, Trends and Program for Combating It" said that smuggling is costing the country more than 140 billion pesos a year, which is the equivalent of about \$700 billion.

In the Venezuelan frontier zone, specifically the Cucuta and San Antonio sphere of influence, the smuggling of foodstuffs will come to a total 15 billion pesos by the end of the year, a figure similar to the value of illegal imports from Ecuador, such that the total would be about 30 billion pesos for the smuggling of foodstuffs from these two neighboring countries alone.

The document said that the country is flooded with products from Venezuela and Ecuador today. Colombia, which once served as the "larder" for the Andean Group, is today the "natural market" for the farm surpluses of the adjacent countries--eggs, milk, rice, cornmeal, wheat flour, oil, fertilizers, sugar and concentrated food stuffs, to name but a few of the products which daily cross our frontiers in thousands of tons, accounting for a large part of the national consumption total.

Unless Colombia undertakes courageous reforms in the tax, labor and financial sectors in order to encourage private investment, especially in the rural sector, the country will continue to live enslaved by the smuggling problem.

Similarly, the organized trade group asked for the total dismantling of the Rotating Customs Fund, since its operations are counterproductive. The survival of the customs service depends on the sale and auctioning of the smuggled goods which are confiscated, and so if there is no smuggling, it does not function well. In order to put an end to this contradiction and the whole wave of corruption to which the commercial operations of the Fund have led, the FENALCO proposes that the customs department be financed by national budget resources.

Finally, the merchants organized in the FENALCO are urging the government to provide a small budget for the import of cigarettes.

BUSINESSMEN WARN OF DANGERS OF SMUGGLED GOODS

Bogota EL TIEMPO in Spanish 12 Oct 86 p 9-A

[Text] A growing and dangerous black market in adulterated drugs, tires which explode, school textbooks, foodstuffs and other smuggled items has been denounced by the National Federation of Businessmen (FENALCO).

This association warned of the dangers of purchasing this type of goods in the novel conclusions of the 41st Congress held last week in Pereira, which were made public in Bogota yesterday.

At the same time, the president of the FENALCO, Juan Martin Caicedo Ferrer, stated that "The trade sector accepts the invitation issued by the government to the business sector urging partial socialization of profits, understood not as a juridical change or a transfer of property, but as the allocation of a good portion of profits to further strengthen social services."

Pirated Drugs

"The falsification and adulteration of drugs by pirate industries has intensified. By imitating other companies' containers and packaging, they put products on the market through informal establishments which attract customers by charging low prices," the Federation said.

The FENALCO reported that 2 years ago, the practice of recycling tires began. In other countries, recapping is done by a process of adding rubber, because the tires have a stronger base resulting from the use of new technology. In Colombia this type of technology does not exist, and yet recycling is being done, "creating a new problem for the manufacturers and tradesmen and putting the lives of the customers in danger," the trade congress reported.

Other Problems

The proliferation of birds of prey at the seaports is so great that "Today we are surprised to see that importers find themselves faced with the need to transport goods by sea to Miami in order then to bring them into the country by air, which pushes the cost of products up and leads the insurance companies to refuse coverage or to provide it only at exorbitant premiums."

According to Article 33 of Decree 3486 of 1981, the FENALCO noted, "Educational establishments cannot change textbooks for 3 years after the date of their approval." Even so, "Schools are unaware of this regulation and make changes, causing losses to families and distributors, in the latter case because of the high inventories they accumulate."

One of the conclusions set forth by the 41st Congress of the trade association had to do with the announcement made to the Congress by Minister of Development Miguel Alfonso Merino Gordillo to the effect that no popularly priced cars will be assembled, because the cost in other countries is approximately 1 million pesos, not including freight, insurance and other costs. As a result, the Colombian people do not have the purchasing capacity needed to buy this product.

5157

CS0:3348/89

'PIRATED' PHARMACEUTICALS POSE HEALTH HAZARD

Medellin EL COLOMBIANO in Spanish 13 Oct 86 p 7-A

[Text] The president of the Veterinary Products Laboratories Association (APROVET), Hernan Cifuentes, and the general manager of the Colombian Veterinary Products Enterprise (VECOL), Raul Londono, have charged that the extent of the smuggling of vaccines and other pharmaceutical products affecting the national economy is the fault of the state.

These experts spoke at the 15th National Congress of Veterinary Medicine. They said that the government has been very passive despite the harm this phenomenon might do.

"Smuggling affects not only Colombian veterinary drug producers, but due to poor quality, these products endanger the health of the bovine, equine, porcine and other herds," the president of the APROVET, Hernan Cifuentes, said.

Raul Londono, president of the VECOL, said for his part that "We have seen vaccines for bovine viral diarrhea, which are very often inactive vaccines, which contained the virus."

He added, moreover, that not only is the livestock producer affected, for all of the livestock breeding sector, the national economy and the family food basket suffer too.

Plans to Control Smuggling

Cifuentes said that "The state controls designed to halt the smuggling of vaccines are ineffective. These products are time bombs which threaten not only animal health, but human beings as well."

He added that the smuggled products come in across the Panamanian and Venezuelan frontiers, and that these products come from the United States.

He further indicated that these smuggled products are to be seen on the shelves in various regions of the country.

Londono, for his part, said that the best weapon for halting smuggling is increased awareness on the part of veterinarians.

"It is veterinarians and zootechnicians who should exercise the greatest control over contraband, because it is they who, being technical advisors to the large producers, have the most information and know the most about the risks," he added.

5157

CS0:3348/89

REPORTAGE ON FOOD SMUGGLING, STATISTICS

Situation Analyzed

Bogota EL SIGLO in Spanish 14 Oct 86 p 9

[Text] In recent days, the magnitude of the food smuggling has been revealed. According to FENALCO figures, it totals 140 billion pesos. The association of businessmen warns that foodstuffs are not even the most important category of illegal trade, citing other types of smuggling which bring in illegal liquor, cigarettes, electrical household appliances, transportation equipment and replacement parts, textiles and garments, and hardware products, which continue to be important aspects of the phenomenon under study. The same is the case with the increasing illegal imports of such products as tires, footwear and leather articles. The leading problems in smuggling, in order of importance, continue to be the traditional sectors.

In the smuggling of liquor, for example, it would seem that the state simply does not want to combat it. Law No 9 on liquor provides the Ministry of Health with all the tools it needs to make extensive seizures, but it never does so. An isolated instance in this connection concerns Sello Negro whiskey, all of which, it is known, is smuggled, and yet it carries the government stamp.

Liquor smuggling in this country involves between 800,000 and 1 million cases. At an average price of 20,000 pesos per case, liquor smuggling would come to 20 billion pesos per year.

Very conservative estimates indicate that 350 million packages of cigarettes (Marlboro, in particular) are being smuggled into and consumed in this country. The cost of the contraband would be about 35 billion pesos (at a base price of 100 pesos per package).

It would appear that textile smuggling has declined in recent years. However, its current value would easily come to about 10 billion pesos.

In other sectors, such as hardware, smuggling has seen a dizzying increase. Collection of the IVA, increased customs duties and limits on imports explain the increase in smuggling on the hardware front. What happens in this sector is that licenses are granted to importers for certain products, but they are

unable to purchase the goods, simply because they cannot compete with smuggled items. In other words, they find themselves without a market. The cost of legal imports has gone up so much that, economically speaking, they are not profitable.

In short, there has been a sharp increase in the past 5 years in smuggling of hardware goods and other items such as electrical household appliances, chemical products and tires. At the beginning of the 1980s, national planning authorities estimated the value of smuggled hardware products, electrical household appliances and other items, which had not been previously assessed. If this value were converted into today's prices, setting the real increase aside, the smuggled goods in reference would cost 45 billion pesos.

All of the proceeding analysis leads us to state that in overall terms, the smuggling phenomenon may be costing the country more than 140 billion pesos a year nowadays (equal to about \$700 million).

Value of Goods Smuggled in 1985
(in millions of pesos)

Sector	Value
Foodstuffs	30,000
Liquor	20,000
Cigarettes	35,000
Textiles	10,000
Other +	45,000
Total	140,000 ++

+ Electrical household appliances, hardware items, chemical products, base metal products, transportation equipment, footwear, tires and replacement parts, mainly.

++ Equivalent to \$700 million, a figure equal to 18 percent of the value of the goods legally imported in 1985.

Historically, smuggled goods have accounted for between 10 and 15 percent of all imports. But the decline in imports and the increase in smuggling is such that the figure is now 18 percent.

Our estimate of overall smuggled goods worth \$700 million per year, although conservative, pushes the contribution of smuggled goods to 19 percent of all imports. This should concern us and create great awareness of the problem, which far from dwindling, is threatening the productive structure of the country to an ever greater extent. The new figures, then, show that smuggling has "taken off" (note the importance of the increase in the macroindicator analyzed from 10 to 15 and then 18 percent).

Any policy designed to eliminate smuggling must be multidimensional in nature. In other words, it must cover all the components in the phenomenon, that is those in the economic, institutional, administrative, police and court sectors. Any campaign against smuggling, at any time and in any place, must rely on the basic principle, according to which it is necessary nowadays to

prevent or alleviate the economic causes of the phenomenon. Similarly, the causes of a social and administrative-institutional nature must be examined and understood as a whole, and controlled.

In a few words, the policies to eliminate smuggling must be basically oriented more toward the causes than toward the manifestations of the phenomenon.

Smuggled goods seized should be: a) burned, where products dangerous to health are concerned; b) donated to community organizations, when foodstuffs or socially useful products are involved; c) sold to the productive sector, when it comes to supplies or capital goods; or d) reexported through free zones.

The revision of the structure of customs duties on imported goods merits special attention (in order to rationalize and reduce, rather than increase, duties), as does the analysis of "domestic production" aspect. The shortcomings and gaps in this connection constitute a new force which encourages smuggling.

We propose that the government provide a limited budget for the legal import of cigarettes. In terms of the interests of domestic industry, moderate competition with imported cigarettes the basic cost of which would 140 or 150 pesos would be preferable to competition with smuggled goods at a cost of no more than 100 pesos. We also think that the policy which requires the bulk import of liquor and later rebottling should be revised. Apart from the delicate health problems caused by adulteration, a problem exists in that the legal importer must compete on the basis of a price of 18,000 per case, while the cost for those who engage in the bottling and adulteration of the product is 6,000 per case.

Breakdown for Foodstuffs

Bogota EL TIEMPO in Spanish 4 Oct 86 pp 1-A, 2-D

[Article by Carlos Pineros]

[Excerpt] The merchants' organization has released Bank of Republic figures according to which the following foodstuffs came into the country from Venezuela in 1985: 60 million eggs, 3 million liters of milk, 5,300 tons of rice, 5,000 of cornmeal, 16,000 of wheat flour, 2,500 of soybeans, 27,000 of concentrated foods and 3,000 of sugar. Added to this were 6 million liters of cooking oil and 3 million kilograms of chicken.

The distribution of the value of smuggled imports for 1985 was as follows: 30 billion pesos for foodstuffs, 20 billion for liquor, 35 billion for cigarettes, 10 billion for textiles and 45 billion for electrical household appliances, hardware items, chemical products, base metal products, transportation equipment, footwear, tires and replacement parts.

The FENALCO assigns the greatest responsibility for the closing of 8,000 trade establishments in Cucuta in the past 3 years to smuggling. This phenomenon has struck communities in Santander, those on the Atlantic coast, and those in

Valle, Antioquia and Bogota especially severely. "The routes used in smuggling are known, but no one dares fight it," this organization claims.

The Colombian farm sector is losing 18 billion pesos every half year due to the inability to market its goods domestically because of competition from smuggling.

According to a study the Bank of the Republic made on the Venezuela frontier, price differences of more than 100 percent are found between Cucuta and San Antonio for cooking oil, powdered milk, mayonnaise, toothpaste and toilet soap, as well as more than 50 percent for bananas, guavas, papayas, bacon, chicken, eggs, oats, cornmeal and toilet paper.

In general, substantial differences can be seen in the prices for 36 basic consumer products. The issuing bank carried out this study last June, using the foreign exchange rates in effect.

A similar study made by this same banking institution between Ipiiales and Tulcan in August showed that prices were higher in Colombia than in Ecuador by 52 pesos per pound of beans, 103 for pork, 45 for beef, 54 for butter and 42 for cheese. The country also suffers from substantial differences in the prices of 31 basic consumer products. Where meat is concerned, situations were found in which the cost in Colombia was four times that in Ecuador.

"Such great price differences cannot be blamed exclusively on the exchange factor. Comparing current market conditions to the rates prevailing for the bolivar and the sucre before the 1982 and 1983 devaluations in Venezuela and Ecuador, one finds much higher prices in Colombia for many products," the FENALCO explains.

The most recent surveys by the FEDESARROLLO and FENALCO placed smuggling first among the concerns of the merchants, in whose view, moreover, it is very difficult to compete with the prices on products coming from Panama, the Caribbean and even Taiwan and Hong Kong.

In Barranquilla, where sales of sandals normally come to about 9,000 pairs per month, domestic producers are only succeeding in selling 2,000.

"In the liquor category, where it would seem that the state does not want to combat smuggling, Law No 9 provides the Ministry of Health with all the tools needed to make vast seizures, but it never does."

It is estimated that 170,000 cases of Sello Negro came in through La Guajira last year. "How can it be possible that such huge quantities escape the control of the authorities?"

"If Colombia does not decide to embark upon a valiant reform in the tax, labor and financial sectors in order to encourage private investment and create a rational cost structure, the country will continue to be enslaved by the smuggling problem" the FENALCO said.

Product	Volume Imported		% of Apparent Consumption	
	1985	1986	1985	1986
Eggs (millions of units)	61.8	126.8	1.6	4.2
Milk (millions of liters)	2.8	1.2	0.1	0.05
Rice (tons)	5,349.6	6,215.2	0.3	0.2
Precooked cornmeal (tons)	5,076.0	5,684.8	6.4	7.0
Wheat flour (tons)	16,096.0	15,417.6	3.3	2.6
Soybeans (tons)	2,554.4	no data	1.2	no data
Fertilizers	276.8	no data	0.03	--
Concentrated foodstuffs (tons)	26,950.4	25,992.8	1.6	1.5
Sugar (tons)	3,581.6	1,681.6	0.3	0.1

Smuggled Foodstuffs

Pereira--More than 4 percent of the eggs consumed domestically are contraband brought in from Venezuela, according to the chart drafted by the Bank of the Republic and made public yesterday at the 41st FENALCO Congress. The first column shows the quantity of foodstuffs brought into the country illegally, and the second shows the foreseeable contraband as projected by that same institution. The last two columns show the portion of national consumption the smuggled goods represent.

5157

CS0:3348/89

PAPER ANALYZES CONTRABAND CAUSES

Medellin EL COLOMBIANO in Spanish 11 Oct 86 p 5-A

[Article by Elias Velez Gonzalez]

[Text] The figures released at the last FENALCO congress on smuggling in Colombia are alarming. The conclusion derived from the figures supplied by the Bank of the Republic and other institutions is that illegal imports total the astronomical sum of 140 billion pesos annually, distributed as follows: 30 billion for food, 20 billion for liquor, 35 billion for cigarettes, 10 billion for textiles, and 45 billion for electrical household appliances, hardware items, footwear, chemical products, transportation equipment, tires and replacement parts. This tremendous volume of smuggled goods has created a state within the Colombia state.

The revelation of this extremely serious problem, which poses a flagrant threat to the national economy, and in particular to employment, should put the entire country on a state of alert.

Colombia has become a paradise for smugglers. All of the active forces in the country have contributed to creating this paradise. First of all there is the consumer, who by demanding the foreign products smuggled in shows contempt for our domestic economy and encourages the activities of smugglers. Let us recall the adage which says that he who pays for sin is as sinful as he who sins for pay.

Secondly, there are the various governments, which for many years now have encouraged smuggling, either by their actions or their omissions. The creation and maintenance of the now famous "sanandresitos" has been the work of Colombian governments. These organizations have been tolerated and protected by the government, such that it can be said that by publicly permitting the sale of goods which it is illegal to import, the government has committed an absurdity which leads to social chaos--the legalizing of smuggling.

Thirdly, there are the enterprises themselves, which in many instances and different ways indirectly encourage the smuggling of articles in competition with their own. This is the case with the textile industry, wherein the domestic factories sell their products to the textile smugglers, who cleverly

purchase domestic cloth to camouflage or conceal their dealings in contraband textiles. A smuggler with an invoice from a Colombian factory sells foreign fabrics to retailers, billing as if they were domestically produced. In other words, the factory invoice is used to legalize contraband. Therefore, if the textile factories do not cease to sell goods to the large textile smugglers, they should not complain about the losses these smugglers cause them.

Since it is known that the smuggler of textiles, like all smugglers, is eroding the domestic economy, attacking Colombian labor and doing harm to business interests, why are these people dealt with as privileged customers, when they then treacherously and perfidiously cause the sellers losses? Do the enterprises expect that the government will defend them against their own mistakes? Or do they perhaps think that such proceedings are not a mistake?

Some enterprises will say that it is very difficult to establish whether a customer is a smuggler or not. It is in fact very easy if one wants to take action. All that is needed is to follow the logic used to recognize a duck. As they say, if an animal quacks like a duck, swims like a duck, flies like and duck and waddles like a duck it is a duck.

Without the slightest doubt, smuggling is one of the factors which is contributing to the social chaos we are experiencing. It is a scourge to the country and a disaster for its economy.

If the government proposes to limit illegal imports, at least to some extent, it will create the jobs necessary to absorb the minister of labor's 10,000 unneeded elevator operators.

It is logical that if we have all contributed to creating this smugglers' paradise, it is also we who must collaborate to alter the conditions under which the scourge of smuggling flourishes with impunity. In order to combat smuggling, a national conscience about it must be developed.

5157

CSO: 3348/89

PAPER DESCRIBES FIVE TYPES OF COFFEE SMUGGLING

Bogota EL SIGLO in Spanish 7 Oct 86 p 9

[Article by Felipe Gutierrez Vargas]

[Text] The heavy tax burden born by the coffee grower and the contradictory and inconsistent policy of subsidies for domestic consumption have created fertile ground for increased coffee smuggling, along with other illicit business, which has caused confusion in the country. It is impossible to estimate the extent of this smuggling activity, but when the volume of Colombian coffee of doubtful origin available abroad is known and the effect of these irregular coffee shipments on international prices is assessed, it can be said that this is another of the wounds which is bleeding the country and outwitting the coffee growers' efforts.

Years ago there was so-called technical smuggling, which involved using documents supporting legal exports one or more times. This was done by unscrupulous exporters, who are no longer active on the market. The authorities learned how to control this type of smuggling, and it has today been completely eliminated. However, there are five types of coffee smuggling at present, and they are described below in order of importance.

1. Smuggling of partially roasted or denatured coffee. Although the Federation raised the sale price to national roasters from 56 to 80 pesos per kilogram a few days ago, the same kilogram of coffee marketed abroad sells for 1,000 pesos. In other words, the individual who "crowns" (a dictionary word which needs no explanation) this kind of smuggling process can earn a profit of 1,250 percent, such that perhaps not even the dark traffic in drugs brings such a high profit. To prevent such smuggling, which has been encouraged by the excessively high subsidies, the Federation has installed some partial-roasting facilities in major coffee-growing centers for the sole purpose of partially roasting or denaturing coffee, which is then sold to national coffee roasters according to a preestablished sale quota system. The ingenious aspect of selling partially roasted coffee lies in the fact that only the Federation can ship this type of coffee via the national railroad and highway systems. However, in a surprisingly high proportion, the quotas assigned go to coffee roasters located on the coast or in the frontier cities. Partially roasted coffee, in any case, must have easy channels for leaving the country, for it is available in large quantities in Panama, Aruba and Miami.

2. Smuggling of top-grade coffee. A sack of clean coffee which weighs 70 kilograms can be bought for 30,000 pesos, but it is marketed abroad for the equivalent of 65,600 pesos. In other words, it generates a gross profit of 118 percent, which although only one tenth of that obtained from partially roasted coffee, is far more than can be obtained from any legitimate business. This coffee can only be shipped after authorization is obtained from the Federation and must be accompanied by a permit issued by the ALMACAFE. Despite the police and customs controls, the power of money is very great.

3. Smuggling of processed and packaged coffee. In neighboring countries and in the Latin neighborhoods in New York, all the known brands of Colombian coffee can be obtained at \$1.50 per pound. This coffee is purchased in the supermarkets and shops of Colombia by smugglers on a greater or lesser scale at 90 pesos per pound.

This coffee, thanks to a recent regulation, can be transported freely in the country. This has facilitated matters, and there is no restriction on its entry into the consumer countries.

4. Smuggling of coffee in the parchment. A large majority of the production of the departments adjacent to Venezuela and Ecuador is sold in those countries at double the Colombian sale price. It is very difficult to exercise customs or police control over this type of coffee, since any lawyer can easily invalidate any seizure of it.

5. Smuggling of inferior coffee, broken berries, debris and blends. There is an important market for these products in the neighboring countries, where they are used for home consumption, and control is also very difficult to exercise, from a legal point of view.

In conclusion, many repressive measures, in both the police and customs sectors, could be adopted to control this scourge, but they will all be bypassed, because of the large profits obtained from consumption of illicit products. It is only through intelligent measures of an economic nature that coffee smuggling can be eliminated--measures which will make the price to the producer ever more profitable. In this connection there are many problems to be overcome, but it is worth noting that a measure as simple as the elimination of the domestic consumption subsidies (which would create surpluses of 30 billion pesos) meets with great resistance. Or could it be that, suddenly, established interests are involved?

5157

CSO:3348/89

SMUGGLERS ARRESTED, GOODS SEIZED

Vessel's Contents Confiscated

Bogota EL TIEMPO in Spanish 8 Oct 86 pp 1-A, 2-A

[Article by James Arias]

[Text] Cali, 7 October--Eight Colombian smugglers were arrested by a naval patrol as the tramp steamer, bringing smuggled goods worth 100 million pesos, including sophisticated Christmas toys from Panama, began to founder near the locality of Pizarro off the Pacific coast in Choco, official sources have announced.

Capt Luis Guillermo Zabala, chief of the general staff at the Pacific Naval Base in Buenaventura, reported that a vessel manned by a naval crew set out in search of the motor vessel in question for the purpose of arresting members of the gang, who had already been identified.

The criminals were transporting toys and electrical household appliances for sale to the "sanandresitos" in the interior of the country.

The naval crew sighted the pirate vessel, 60 meters in length, and gave pursuit. On seeing that they had been spotted, the smugglers tried to flee, but the prow of the vessel rammed a giant tree trunk.

The collision ripped a hole in the wooden hull, and the vessel rapidly shipped water, causing it to founder in a matter of a few minutes.

The members of the patrol pulled the eight smugglers from the water and arrested them, and they were also able to recover a part of the cargo, valued at 40 million pesos.

The balance of the cargo, including toys, radio-cassette recorders, television sets, cameras, watches, video and sound equipment and electrical household appliances valued at about 60 million pesos sank to the bottom of the sea, but navy divers are continuing the recovery effort.

The smugglers rescued were identified by the port authorities as Nelson Herrera Calle, captain of the "tramp steamer," as the ships used for smuggling

are called, Andres Cuero Rodriguez, Dagoberto Valencia, David Ignacio Garcia, Florencio Ismael Andrade, Emilio Angulo, Francisco Micolta Sanchez and Marcos Candelo.

All are Colombian nationals. They have been turned over to a customs court judge in Buenaventura.

Captain Zabala said that a number of operations have been carried out in the waters of the Pacific against gangs of smugglers, especially those proceeding by various maritime routes from the Panamanian isthmus routes toward the port of Buenaventura.

In another connection, official sources reported the disappearance of 160 bundles of coffee for export belonging to the National Coffee Growers Federation. The coffee was taken from warehouses in the port of Buenaventura.

Port authorities are investigating how this valuable cargo could have been removed, since the entry and exit registers at the maritime terminal show no withdrawals of this sort.

Mismarked Sparklers Seized

A total of 69,120 mismarked boxes of sparklers, containing 1 dozen each, were confiscated by the DAS during a search of a home in Yumbo, north of Cali.

The director of the DAS for Valle, German Jaramillo, said that this was "a typical falsification of the brand and patent of Bengal sparklers, a product made by a duly registered firm which meets all the requirements for manufacturing fireworks toys."

Heriberto Cabrera Leon was arrested and charged with responsibility for the crime.

In another connection, the SIJIN in Cali dismantled a clandestine plant for the manufacture of vehicle license plates at a house in the Guayaquil district.

During this operation, Guillermo Porfidio Burbano and Henry Chingana Melo were arrested, and 12 vehicle plates, two motorcycle plates, a large number of blank motorcycle ownership certificates, a copy of the traffic code and the emblems of a number of transportation companies, as well as a stamping machine and various dies, were confiscated.

Fourteen Truckloads Seized

Bogota EL TIEMPO in Spanish 7 Oct 86 p 2-A

[Article by Efrain Ovalle]

[Text] Riohacha--Fourteen trucks carrying a sizable cargo of foreign goods were seized in the early morning hours in the locality of Uribia by a narcotics patrol, officials of that government body have reported.

The convoy carrying the smuggled goods was taken into custody when one of the patrols involved in an operation in Alta Guajira to halt the traffic in drugs and illegal shipments of Colombian coffee to foreign markets arrived in the settlement unexpectedly.

Official spokesmen said that the contraband, which included electrical household appliances, garments and foodstuffs, came into the country via clandestine routes across the Venezuelan frontier. They said the goods were intended to supply the Atlantic coast businesses which sell these types of goods, particularly during the Christmas season.

Although the goods confiscated have not yet been inventoried, the authorities said that the total value will easily come to about 200 million pesos.

5157
CS0:3348/89

BRIEFS

PLAN PROPOSED--Paipa, Boyaca (COLPRENSA)--The president of the FENALCO, Juan Martin Caicedo Ferrer, issued a warning yesterday about the rise in smuggling indices, and he proposed to the government a plan to "reduce the profitability of this big business." Caicedo said that the government "should bring all its guns to bear in the battle against smuggling," and he noted that a policy of this sort should cover both the economic and the social, legal, administrative and customs components of the problem. The association leader spoke during the second day of the 10th National Congress of Economists yesterday. He also discussed the need to "brainwash merchants so that they will understand that in large part, support of the country's economy must be based on its foreign exchange, at least in this final portion of the 20th century." Caicedo Ferrer, who painted a desolate picture of the trade sector, said that this is due to the excessive increase in smuggling and the lag in the Colombian market as compared to the foreign sector. The president of the FENALCO explained to COLPRENSA the aspects of the platform which must be used to attack this first phenomenon and weaken smuggling. [By Nestor Raul Osorio] [Text] [Medellin EL COLOMBIANO in Spanish 12 Oct 86 p 9-A] 5157

GOVERNMENT TO STUDY PROBLEM--The government, working with the main economic associations in the country, will proceed with strategies making it possible to combat smuggling, to make foreign trade more flexible and to guarantee protection of domestic industry. The General Customs Office has scheduled a meeting with leading representatives of the trade and industrial sectors in the country for 16 October, in order to analyze reports of scourges seriously damaging the domestic economy. Spokesmen for the Customs Office have informed EL TIEMPO that its officials have approached some 14 entities in the financial sector to ask for cooperation with the state in the search for efficient solutions to the various problems effecting foreign trade and the Colombian economy. Participants in the discussions will include representatives of the ANDI, FENALCO, FEDEMETAL, ACOPLASTICOS, ACOPI, CUTMA, the Farmers Association of Colombia (SAC) and the FEDEGAN, among other organizations. [Excerpt] [Bogota EL TIEMPO in Spanish 8 Oct 86 p 1-A] 5157

ATTORNEY GENERAL LAUNCHES INVESTIGATION--Bogota, 10 October (COLPRENSA)--The attorney general has launched a large-scale investigation of smuggling in the country, and has assigned four of his representatives to coordinate the study. Attorney General Carlos Mauro Hoyos Jimenez has announced that the investigation was initiated on the basis of charges made by the National

Federation of Businessmen at its recent congress in Pereira. The investigation will be carried out by a team headed by First Bogota Region Prosecutor Dario Vera Jimenez and the representative for administrative supervision, Falia Rosa Tabima de Barajas. The legal advisor to the attorney general's office, Rafael Mozos Guzman, and accounting technician Fernando Diaz are also members of the commission. The charges made during the Pereira congress by the president of the association, Juan Martin Caicedo Ferrer, referred to massive smuggling of foodstuffs, liquor, cigarettes, textiles, electrical household appliances, hardware items, chemical products, transportation equipment, footwear, tires and replacement parts. The commission will work together with the national customs authorities, and will inspect the operations of excise agents located at what are regarded as nerve points, such as air terminals and seaports. The attorney general's investigation into the repression of smuggling has, curiously, come at a time when the production associations, including the FENALCO, are submitting a proposal which would reduce the seriousness of this crime to a minor violation of the law. [Text] [Cali EL PAIS in Spanish 11 Oct 86 p 3-A] 5157

PORK CONTRABAND FEARED--An increase in the smuggling of swine from Venezuela seriously effecting this sector of the domestic economy may be seen in the next few days. This warning was issued yesterday by Esmeralda Carvajal, executive director of the Colombian Swine Breeders' Association, which has its headquarters in Cali. She said she has information about surpluses in Venezuela larger than those in earlier months and scheduled to be smuggled into Colombia. The director of the association said that despite the constant meetings held with representatives of the government and petitions for the adoption of measures to control the illegal entry of hogs, it has not to date been possible to obtain any forceful action on the part of the authorities in this regard. Esmeralda Carvajal said that swine breeders have now been warned of the existence of a large surplus of swine in Venezuela said to be destined for the Colombian market for contraband goods, where strong demand exist because of the lower prices offered. [Text] [Cali EL PAIS in Spanish 17 Oct 86 p 8-A] 5157

CS0:3348/89

ARRIVAL OF U.S. MILITARY PERSONNEL SCORED

San Jose LIBERTAD in Spanish 29 Aug-5 Sep 86 p 2

[Editorial: "Costa Rica in the Pentagon's Sights"]

[Text] The government of the republic has announced that next January 180 U.S. Army engineers will be arriving in Costa Rica. The news is worrisome and alarming, since it comes at a time when the U.S. Government is putting ever more obvious pressure on Costa Rica to involve itself in the new escalation of the war against Nicaragua, in the wake of U.S. congressional approval of further military aid for the counterrevolutionary bands and the green light for the CIA and the Pentagon to openly and publicly direct this new phase of the war.

Although Security Minister Hernan Garron gave assurances last Tuesday to foreign press correspondents stationed in San Jose that Costa Rica would defend its neutrality and not allow its territory to be used as a training ground for the Contras or as a base for attacks on Nicaragua, there can be no doubt that the concession made to Washington is very serious and, in spite of Mr Garron's sincerity and opposition, makes us part of the strategy to Vietnamize the Central American conflict. Who can believe that a battalion of American military engineers is coming to Costa Rica to repair school houses and bridges, when Reagan has declared war on Nicaragua?

Someone once said that the president of the United States uses his first term of office to get reelected and his second to go down in history. Events would seem to indicate that Reagan wants to go down in history as the president who destroyed Central America, and in pursuing his coveted dream he apparently does not even care about endangering world peace. Are we Costa Ricans going to be cannon fodder in the adventuristic and suicidal policy of the imperialist Far Right? Some local oligarchs and mercenaries are saying shamelessly that Costa Rica has to learn "how to profit" from war and from its geographic location and open its doors to Reagan and his military men and CIA agents in exchange for dollars and protection. How wrong can they be! The war will envelop us all, and tragedy will knock at all doors, those of the rich as well as of the poor. And as far as the traitors are concerned, they will surely find no sewer in which to hide.

We are not sowing the sand when we tirelessly emphasize the extremely grave dangers that threaten us and the urgent need to make the struggle for peace and real neutrality a priority that all Costa Ricans without distinction as to class or ideology can unite around so that reason triumphs over barbarism. The arrival of another contingent of military engineers and Green Berets is totally inadvisable and a threat to our true national interests. We cannot see such developments as isolated from the situation in Central America. We must urgently mobilize on the broadest scale for peace and demand that the government take action in defense of the Costa Rican people's traditions of peace, democracy and respect for international law.

8743

CSO: 3248/118

POSSIBLE 1990 PSUC CANDIDATES VIEWED

San Jose LA NACION in Spanish 3 Nov 86 p 8-a

[Article by LA NACION staff writer Ivonne Jimenez: "If Not Calderon, Who?"]

[Text] Even though the PSUC (Social Christian Unity Party) is focusing its efforts on becoming a permanent, ideological political structure, presidential ambitions are also astir.

After 16 uninterrupted years of "engaging in politics," Rafael Angel Calderon is still the undisputed leader of the main opposition party; however, his refusal to announce his candidacy again is helping other leaders to come forward.

Nevertheless, most of them and of the Social Christian rank and file would come out for Calderon as soon as he so requested.

Aware of this power, Calderon is keeping his cards close to his chest and will look more carefully into another run when the performance of the current administration becomes clearer, inasmuch as it would be his third bid for the presidency. While he remains undecided, however, another name, for which he would abdicate his top spot, is on the rise.

Although the Social Christian leader declined to confirm as much, sources in his party say that his successor could be Dr Miguel Angel Rodriguez. He was a member of Calderon's team of closest campaign managers the last time around, is backed by his main advisers and has a strong intellectual and personal relationship with him.

We can rest assured, however, that in the 1990 elections, whether it is Calderon or Rodriguez, there will be no repeat of the last convention, which was staged to proclaim a single candidate, because there are already opponents who are saying that they will not back down even if "names as respectable as theirs" are in the running.

At least former Minister German Serrano Pinto and former PNI [National Independent Party] presidential candidate Jorge Gonzalez Marten are taking this position, although Miguel Angel Rodriguez and the current PUSC secretary

general, Roberto Tovar, would restrain their ambitions if Calderon decided to run.

Rodolfo Mendez, a current deputy and former presidential candidate, will apparently not be in the running this time, inasmuch as he says that he is not interested and wants only to do a fine job as a lawmaker.

Nomination Battle

These are the men who are shaping up as contenders for the PUSC presidential nomination, but they are all denying that a struggle among factions is currently under way and that the efforts they are engaged in are an element in such a struggle.

Nevertheless, they are all holding meetings and touring the country "to thank" party leaders for their contributions during the last campaign or to give "training or political leadership lectures." They each command their own wing or group of leaders in the party and do not deny that their political activities could benefit them in a future campaign.

They say, however, that they will not lock horns until 1988. Prudence is their watchword. Thus, they state only that if "a major group of party members feel that I ought to put forth my name, I will do so, when the convention is called."

The most determined are Serrano and Gonzalez Marten; the latter is engaged in a much more open struggle for power and is even determined to run alone against Calderon.

Very Active

Social Christian leaders are keeping very active until 1988.

Admitting that he is still paying visits all over the country, Calderon says that he has been doing that for the last 16 years, that it is the only way to find out what is happening in the country and that he enjoys talking things over and saying what he feels with friends and supporters in small towns.

He says that he is still doing this because he is "a political leader and I am keeping active," adding that he has not yet made a decision about running "because this is not the right time; now is the time to struggle for a single cause: the strengthening and consolidation of the PUSC, not to further personal aspirations."

The other presidential hopefuls have used almost the same words.

As for the visits, tours and meetings that the other hopefuls are involved in "as party leaders," Calderon contended that "they are doing so for the benefit of the party, and if it benefits them personally, I find that normal and good."

"But there is a difference between forming committees and promoting oneself while working for the party," he added.

Nevertheless, he went on to say, "the colleagues who could have a chance are putting forth their efforts for the party within its structure; there is no factional struggle...It's great that the PUSC has that many leaders who fit the bill as candidates."

Ideas

For his part, Dr Rodriguez has swung through every district to meet with local leaders, thank them for their support during his campaign, analyze mistakes and "listen to them so that I can convey their ideas within the PUSC."

As a member of the directorate, he chairs the economic analysis panel that is active all the time and that puts together the party's ideological arguments.

Rodriguez seems to embody the PUSC's clearest-cut philosophy, which he calls the social market economy: the unfettered workings of supply and demand, plus the advances of technology, with social justice.

His adversaries criticize him as a neoliberal and say that his positions are becoming a flank on which the party can be attacked. He replies, however, that he is not interested in "labels," calling them the foolish product of people who do not think.

Dr Rodriguez' main concern and all-consuming effort is to develop ideas to further the "urgent task of the PUSC: to win the 1990 elections and prevent a PRI from developing in Costa Rica."

A former planning minister, he says that he has been involved in politics since the age of 17 and is qualified to be president.

Working alongside him is the well-known PSUC leader Mario Romero, who others say has garnered broad support for Miguel Angel and is an outstanding element in his favor.

Party Wings

Meanwhile, German Serrano seems to be the standard-bearer of social justice and the central figure in the PSUC's Carazo wing.

He reportedly has Rodrigo Carazo's former structure and leaders of the erstwhile Christian Democrats on his side and is indeed in charge of a group that is committed to his nomination bid.

Serrano admitted that even if Calderon or another colleague throws his hat into the ring, he would run too "when the party calls, although it is too early to make nomination bids official."

He acknowledged that he pays visits, meets with committees and delivers lectures almost every week. "As a member of the directorate and adviser on

social policy, I often visit district committees and party groups that stay active, to make my thoughts or the PSUC's thoughts known on various issues. I do that all the time and will continue to," Serrano asserted.

LA NACION was able to locate at least one house in which the presidential hopeful holds periodic gatherings to put forth his positions.

Most Popular

Roberto Tovar is engaged in similar activities, albeit as party secretary general. Although he has presidential ambitions, Calderon's decision will dictate his own; in the meantime, he is running for reelection as secretary general.

He is in charge of developing the PUSC's permanent structure. That is his main concern, and he can thus postpone his ambitions until the next race.

His opponents regard him as a man who brings people together instead of dividing them, a peacemaker, and feel that his close and longstanding personal relationship with Calderon could make it easier for the latter to back him. He and Calderon are perhaps the most popular of the PSUC presidential hopefuls.

Finally, "world humanism" [mundihumanismo] is the watchword of Mr Jorge Gonzalez Marten, who recently joined the Social Christian ranks.

He is making an open and determined bid for the nomination, has "world humanism study centers" all over the metropolitan area, lectures daily on the topic at schools (last week he visited five), goes on tours to start up regional programs based on his theory and has pilot programs in Cartago, Heredia and Alajuela.

"World humanism emphasizes man above all, seeks his development through the proper use of technology and pursues pacifism by way of development," explained newsman Carlos Dario Angulo, who has written a book on Gonzalez Marten and his ideas that will come out during the first 2 weeks of November and that has a foreword by Guillermo Malavassi.

Gonzalez Marten already has influence, even among Social Christian youth, and partly financed the Action group, which sought to head up the Federation of Costa Rican University Students, and a recent seminar for 200 young people at his farm in San Josecito de Alajuela.

"It is a sure thing that he will seek the nomination and that he has the political organization to make a run in due time, no matter who the other contender is," his aides said.

8743

CSO: 3248/118

PLN, PUSC ESTABLISH DIALOGUE

San Jose RUMBO CENTROAMERICANO in Spanish 31 Oct-6 Nov 86 pp 5-9

[Article by Ana Lupita Mora on round table discussion among Rafael Angel Calderon, Miguel Angel Rodriguez, Rolando Araya and Carlos Manuel Castillo]

[Text] A debate fraught with political significance was the forum in which what many were expecting was proposed: a dialogue between the National Liberation Party (PLN) administration of Oscar Arias Sanchez and the opposition, represented by former PUSC [Social Christian Unity Party] presidential candidate Rafael Angel Calderon Fournier.

The round table that RUMBO organized to mark its second anniversary addressed the topic "the current political situation and 1990 election prospects." It was in this forum that Calderon raised the exciting prospect of negotiations, which has triggered intense nationwide debate.

The participants at the round table on 23 October (Rafael Angel Calderon, Miguel Angel Rodriguez, Rolando Araya and Carlos Manuel Castillo) felt that the proposal the former Social Christian candidate made was significant. He asked the secretary general of the PLN, Araya Monge, to convey it to the president of the republic.

For a bit longer than the 5 minutes that the moderator, RUMBO reporter Ricardo Lizano, allotted them, the four leaders outlined their thoughts on the political situation in Costa Rica. Rolando Araya analyzed it from the angle of his post and efforts as PLN secretary general; Rafael Angel Calderon reaffirmed that the current administration still has no program; Carlos Manuel Castillo, the former PLN presidential candidate, talked about what he called the administration's efforts to move the country forward, and Miguel Angel Rodriguez, a member of the PUSC political directorate, talked about what he described as attaining power for power's sake.

After their introductory remarks, the four responded to each other's statements and fielded the questions that RUMBO posed about possible presidential candidates in 1990.

Rolando Araya Monge stated that the crisis that Costa Rica is unquestionably experiencing cannot be viewed only in its economic manifestations. "There are

deeper aspects that cannot be seen from superficial indexes and economic figures. There are signs that lead us to believe that some of the democratic institutions that lend our country prestige are in danger of decaying or eroding."

The PLN, he said, was born 35 years ago to enable the country to have permanent political parties, and he defended his party's claim that it has brought about the most important political, social and economic changes this century.

"We can see the results," he argued, "in connection with the peace that Costa Rica, as an exception, enjoys in the Central American isthmus." He cited the indices that illustrate the country's level of schooling, the people's good health and the progress of democracy.

"The PLN's leading role has not been an accident. Before it was born, before it became a permanent political party, the PLN set an agenda for itself that enabled it to take an approach to domestic problems that led to the creation of institutions and to accomplishments over these past 35 years," the party's secretary general stated.

Nevertheless, although he asserted that the country can point to a democracy that has made extraordinary strides and in which suffrage has become an institution of which we can boast to many nations of the world, he felt that election campaigns were becoming an end in themselves because politicians were permanently hyperactive.

This "could cause us to overdose on election campaigns, in which the discussion of ideas comes in response to signals from the electorate, whereas the ideal would be for the electorate's signals to come from the discussion of ideas, as is the case in Europe's parliamentary democracies."

In connection with this he added that some in the PLN have proposed the construction of a permanent party, which has not yet been fully accomplished, and he then spoke once more of a new long-range program for a group that is involved in the daily debate. He said that his efforts as the party's secretary general have focused on this task.

He lashed out at the feuding "in the winter quarters" that revolve around factional strife, and regarding long-range plans he stated that the party cannot attack today's problems unless it can see clearly into the future. To this end the party is examining five goals: restructuring the machinery of government, overhauling the production machine, reforming education, linking Costa Rica to the technological revolution in today's world and achieving economic democracy. ""We thus hope to contribute to the domestic political debate and to lend a new dimension to the prospects that are opening up in a democracy that runs serious risks if we continue with campaign hyperactivity."

Social Christian leader Rafael Angel Calderon expressed deep concern over the current situation in the country. "We are not in the midst of an election campaign; we have to view the situation with a patriotic frame of mind. Costa Rica is experiencing a very serious crisis: an economic, institutional and

social crisis. Every day we see new slums go up, more people going hungry in their homes and no expectations or opportunities for a better life for the younger generation."

According to him, this situation could trigger a political crisis that would jeopardize the stability of our democracy. "In these difficult times, I do not think that the majority of the Costa Rican people made the right decision (at the past election), because the PLN model is worn out."

"During the campaign the PLN did not really say what it was going to do if it won. We can see the results: an administration that has no program, that has no answers, that has not submitted to the legislature one important bill to change the country's structures."

The former presidential candidate asserted that the PLN simply talked about providing housing and jobs without saying how it was going to go about it. He stated that the only in-depth program that Congress is seeing is the PUSC's, which provides housing assistance.

He argued emphatically that the Housing and Human Settlements bill is Social Christian and that it dates back to 1979, when it was first submitted to the Assembly. It then became part of the platform that the PUSC put before the voters in 1985.

"In light of this," he said, "I am very worried that there is no dialogue between the government and the opposition, because we have to defend the country's institutions, the democratic system. We will have to come to terms on many answers that the nation needs to make headway."

"We want to take this opportunity to appeal to the administration for a dialogue. We hope that high-level PLN leaders such as Rolando Araya and Carlos Manuel Castillo can apply pressure to bring about a national dialogue. But not just to talk about the situation. We want a dialogue on specific bills. Costa Rica needs programs, and accordingly the PUSC will be prepared to discuss everything that needs to be discussed with the administration."

"I am sincerely worried when I hear the president of the republic say that he will not be able to keep his solemn campaign promises unless he comes up with a rescheduling of the foreign debt over 25 years with a 7-year grace period. I think that when the president was a candidate, he was aware of the foreign debt problem. So why during the campaign did he speak only of insults, slander and false promises?"

The opposition leader concluded his remarks by recalling: "The 1982 campaign was much different. Mr Luis Alberto Monge conducted a dignified campaign, thus greatly facilitating the efforts that all Costa Ricans put forth to overcome the country's crisis."

Dr Carlos Manuel Castillo, who lost the battle for his party's 1986 presidential nomination to Oscar Arias, said that in discussing the political situation we have to talk about the administration, the Legislative Assembly and the political parties.

As far as the administration is concerned, he felt that both the Executive Branch and the decentralized institutions had good people. In his judgment, the team of deputy ministers "bodes well" for the future.

He felt that the administration has quite clear and specific policies on foreign relations, the economy, agriculture and housing. "It now remains to combine all of these lines of action so that the party can keep its word to the country and to itself now and into the future."

Dr Castillo Morales asserted that the Legislative Assembly "is a good one, well put together, with competent, honorable deputies who are capable of discharging their responsibilities."

He emphasized, however, that what is lacking is what Rodrigo Facio many years ago called "an honorable accord between parties. This makes it hard to get going once and for all. I think that the administration, National Liberation and the PUSC should take up their essential duty to guide this constitutional term of office appropriately."

Referring to the political parties, Castillo said that the PUSC is engaged in an effort to form a major opposition party, which is very healthy for the country.

According to him, the PSUC is confronting the difficulties inherent in a transition from a political front that has always been a patchwork of still distinct groups, "as can be seen in its congressional bloc."

He went on to say that, in contrast, the PLN is strengthening and revitalizing its organization and reformulating its message to the Costa Rican people. He argued that if the party wants to remain the instrument of political progress, it must convey to the electorate a message in tune with present and future needs.

Castillo contended that the PLN ought to remain in power in 1990, arguing that it is the largest party, has always had deep roots among the country's peasants and in recent years has taken deep root in the cities, which has enabled it to grow. "It will have the edge in the next election campaign because it has the most experience and know-how and can resolve the crisis."

"We are trying to get the country moving towards economic recovery and rebuilding. To win in 1990 the administration must do a good job, and at the moment I am committed to helping the team in power. Moreover, we have to run our strongest candidate."

Dr Miguel Angel Rodriguez, a member of the political directorate of the PUSC, stated that since its independence Costa Rica has been characterized by its ability to create the institutions it has needed to develop properly. In this sense the country is different.

"The country achieved all of these things while showing deep respect for man's dignity. A weak government was quickly controlled through the establishment

of the rule of law, which was not that indispensable when that government met so few needs."

The Social Christian leader felt, however, that since the 1950's groups espousing 19th century dogmas and ideologies have been trying to politically control the lives of our citizens; instead of taking a humanistic approach, they have emphasized majority support.

According to Rodriguez, neofeudalism has thus been strengthened, as the economically and politically privileged have been protected and are uniting to prevent their capacity for survival based on their own efforts from being put to the test.

He said that an oversized government and paternalism are attacking the dignity of individuals, because they are not being allowed to make their own decisions. The point of Rodriguez' remarks was that the PLN model has led to the crisis of the 1980's, as the "dogma wears thin. The PLN agenda is ceasing to exist."

In his judgment the PLN's lack of historic perspective has turned it into a group that "seeks power for power's sake." This, he asserted, has led to a rise in corruption and to the development of institutions that run counter to democratic standards. "Former President Monge has already acknowledged his direct attempts to influence the outcome of the elections, and President Arias has called for the PLN to remain in power until the 21st century."

The Social Christian leader reaffirmed that the absence of a political agenda in the PLN has been obvious during the past two administrations. "Every day we see ministers at odds with ministers, ministers at odds with executive presidents, ministers at odds with deputies."

Rodriguez asserted that "social problems are intensifying, poverty is spreading and the frustration of the poor is mounting." In the midst of this, the proceeds from foreign aid and large donations are being wasted.

The opposition leader argued, however, that "in this setting a new approach is emerging, one that pragmatically combines Social Christian ideals with modern technology and that seeks to make efficient use of resources to achieve progress and social justice."

"And this party is not forming to be in the opposition, as Carlos Manuel Castillo says. Quite the opposite. That is what they would like as the single party in power. This party reflects a philosophy that has deep roots in Costa Rican tradition but that is well aware of latter 20th century science and technology, so that we can enter the 21st century."

After their introductory remarks, the speakers responded as they saw fit to each other's arguments, at times with sarcasm but also with wit.

Rodriguez: "I think that a dialogue is necessary. But it cannot be productive unless it is deals with specific bills on which the administration's team sees eye to eye."

Araya: "The idea that the PLN ran without a program has been left floating in the air. When I say that a new party program is needed, I am talking about a long-range program, not a government program."

"Oscar Arias put forth a program that was not publicized as much as the PUSC platform, most likely because theirs came first. He presented it, and it had a lot to do with the outcome of the election: building 80,000 housing units, creating 25,000 jobs a year, pursuing a policy of peace and neutrality."

Calderon: "I disagree with Rolando. I don't think that the PLN presented any political agenda or government platform. I learned that the press was given a document that was typed on different typewriters. I admit that we prepared a platform for the first time. We worked hard at the ideological congress in 1984, and from it came our broad political platform. The PLN conducted a campaign of promises and did not say how it was going to keep them."

Araya: "Something very important has come out here. We have taken note that Rafael Angel wants to talk with Oscar. Such a dialogue is necessary; it has been sought but has not been possible. I think that the differences between the parties must be settled, but we have to begin by analyzing our common ground."

"I can tell Miguel Angel that we still see the PUSC as a jumble of invisible forces, in spite of its rhetoric and Social Christian wishful thinking. You're a Social Christian with a neoliberal philosophy that resembles that of the Social Christians, in contrast to the frontiers of theology."

"I want to talk about what happened in the 1950's. It began in 1948, when Figueres' men came down from the La Lucha and San Cristobal mountains. At that point, 80 percent of our country's teachers had not completed primary school, and 70 percent of the Costa Rican people walked around without shoes on. We can now say that 2.5 percent of the population attends college, which is more than in most Western European countries."

"We did this without mines, without oil, without great resources. In the sphere of health care, when our agenda began, 110 children died per 1,000 live births. Today we are at 17 per 1,000, which is better than almost all of the countries of Eastern Europe. During this period (1948-1986) these were the best figures in the hemisphere."

Calderon: "Carlos Manuel Castillo has asserted that the makeup of the administration is good. I agree to an extent. Its personnel are excellent; too bad they don't have an agenda for consistent action and can't organize the plan that is urgently needed."

"Today there are more separate groups in the PLN than in the PUSC, and the fact that there is a minor disagreement with a deputy, as to whether he asked for a specific budget item or not, in no way proves that there is discord. There is a political agenda and a monolithic party. We must acknowledge that the PLN had that agenda and helped the country, but it is worn out."

Castillo: "Rafael Angel's clear-cut attempt to achieve an understanding between the parties is significant. I want to say, however, that there are two groups in the PUSC: the one that always votes the other way in the Assembly, for example, to leave the country without electric power in 1991 regardless of the consequences, and the one that is in favor of seeking an understanding.

"We will soon see the proof of the pudding with the geothermal energy bill. What Miguel Angel said about ideology combining with science and technology must prevail in this instance, inasmuch as some of his colleagues are seeking an understanding on this bill in exchange for specific budget items.

"The Social Christian political agenda consists of three booklets on the new economy that are very well written and that kept Miguel Angel very busy, but they are not a political agenda.

"As far as Miguel Angel's remarks are concerned, you'll have to forgive me, but we've discussed this term they have coined, State paternalism, a lot. A friend recently commented to me about subsidies that when they go to the poor, they are called State paternalism; if they go to the well-off, they are called production incentives.

"We are talking about what I call new protectionism, a new arrangement of efforts and interests between the State and producers. Yesterday it was to substitute for imports and industrialize; today it is to promote exports and build homes."

Rodriguez: "I would be willing to discuss philosophical principles with Rolando, but I am not willing, because I find it childish, to discuss labels and dogmas.

"I would be interested in talking with Rolando about what I recently wrote concerning his philosophy or what I said about his comments on Radio Monumental, to the effect that our values should be the ones that are in vogue. I called this fashionable morals. There are values intrinsic to man that we must respect, that have to do with the forging of history and the development of human nature.

"As for the PLN's record, of course there have been a great many accomplishments over that many years, but we cannot see them in isolation from what went on in the world in the 1950's and 1960's, which was the period of fastest growth in man's history. I think that the PLN program failed to prevent Costa Ricans from taking advantage to a degree of the great spread of prosperity in the world.

"Castillo wants the dialogue with the government to be a success. I do too, but it will not be successful unless there is a basis for it. Sitting down at a coffee table does not solve problems. He tells us that it has to be constructive, not just touch on the geothermal energy bill in exchange for specific budget items. Such assertions are not conducive to a dialogue, because they are unproven, untrue.

"As for his claim that I am against paternalism only when it is for the needy, not the powerful, he should recall that the major discussions that we have had over the years dealt with protection for industrialists, which I call neofeudalism. I am strongly opposed to this because it enables the powerful to hole themselves up in their castles and defend themselves against competitors."

Presidential Hopefuls

The second part of the round table on the current political situation and election prospects for 1990 touched on the presidential ambitions of each panelist.

[Question] In comments to the magazine RUMBO, Mr Calderon Fournier, you asserted that you would run for president as many times as your group deemed it necessary. Do you think that it would be good for the PUSC if you ran for president again in 1990 after two straight defeats? Wouldn't it make the PUSC a one-man party?

[Answer] I am not currently seeking the nomination, precisely because of what you mention in your question. The most important thing is for the party to triumph, so that we can carry forward our political agenda. In 1988 we will have to decide what is best for the party, to make up the six points that kept us from victory in the last election, after we jumped 19 points from 1982 to 1986. I think that I would win the nomination battle. Yet, if that is not the right thing to do, I have to give other colleagues a chance. But if my involvement is needed to consolidate our political party, I am prepared to continue the struggle as a presidential candidate.

[Question] Mr Araya Monge, the most recent PLN candidates who became president, Mr Luis Alberto Monge and Dr Oscar Arias, both served previously as party secretary general, which prompted criticism and internal friction. In spite of this, you, the current PLN secretary general, are thought to have presidential ambitions and are regarded as politically active, which according to a LA NACION report has enabled you to gain broad support among your fellow party members. Are you or are you not seeking the PLN nomination and how do you reconcile that possibility with the performance of your job?

[Answer] You are according me a tremendous advantage when you say that Luis Alberto and Oscar were secretaries general and then candidates. I want to state, and I am in no way criticizing any colleagues who are prepared to seek the nomination in 1990, that I am now devoting myself to the tasks I have outlined here.

I think that it is somewhat frivolous now, when major efforts are under way to revamp the PLN, for us to become enmeshed in a debate on factions. We ought to all be focusing on this revamping. There are many problems in the country on which the PLN has remained silent, and I admit it.

Before thinking about who the candidate should be, we ought to think about what kind of party we want and then see who the best man for the party is. The PLN was created to transform Costa Rica, not to make anyone a councilman,

a deputy or a presidential candidate. It is not a container that is filled every 4 years with what comes out of internal struggles, which for the most part are dominated by personal ambitions.

In any case, your question is whether or not I want to run for president. Father Nunez once said that if you put 10 priests together in a room, 5 minutes later you can tell which one is going to be bishop. I am involved in politics, I have a long track record in the party and I am not going to pretend to be an angel and say that I do not want to run for president. Of course I want to. But I'm not going to give RUMBO the pleasure of announcing my bid for the nomination. Everything has its moment; mine will come in good time. For the present, there are other tasks to perform. The time will come when the party begins formal discussions on the selection of its candidate, and they will surely hear from me then.

[Question] Mr Angel Rodriguez, your name is being mentioned more and more often as a possible PSUC presidential candidate in 1990, but the rumor is that you will seek the nomination only if Calderon stays out of a potential battle among factions. Is this true? Do you think that you really have the political background to run for this highest of elected offices?

[Answer] I think that it is very much part of the Costa Rican character to feel that at some point in our lives we can contribute something to the country by running for public office. I feel that to run one must have a long history of looking out for the interests of Cost Rica, and I do. I was a minister under Jose Joaquin Trejos at the age of 26 and I have worked hard on many fronts to promote thinking and discussion in Costa Rica.

I have been lucky enough to be able to collaborate in the PUSC in the creation of this modern, forward-looking alternative that will enable Costa Ricans to once again plan the development of our society while bearing in mind the needs of our least privileged citizens.

Rafael Angel's hard work and talent in creating this party with the backing of hundreds of thousands of Costa Ricans is an enormously significant historical development and accords him a very favored position within the group.

If Rafael Angel feels he should be the candidate in the next election, I will once again strive to work for that cause. Until such time my most important job is to help the party. What may happen in the future depends on what conditions are like in the PUSC and what our colleagues want.

[Question] Dr Castillo, even though you are the only PLN presidential hopeful who has been defeated twice at party conventions, you have expressed your intention of seeking the nomination again in 1990. Do you think that after two losses and in the face of the up-and-coming new generations, your movement still has something to offer voters so that they will give the PLN its third straight victory?

[Answer] I am convinced of it. This is not the place to discuss historical events, but I think that the last time around Oscar very skillfully rode to

victory what he called the "anti-ayatollah" wave in the party, in addition to other things.

I now sense that the plurality that went in my favor at the internal party election is still in place. The polls show as much, but so do my swings around the country and my contacts with groups. I notice it all the time.

Many colleagues who did not support me before are backing me now and are willing to work with me. But all of us in the PLN agree on one thing, myself above all: we must prevent the party from being wounded by factional strife.

What I am trying to do is build a following of such proportions that when we head for the convention in 12 or 15 months, instead of being the scene of factional strife, it reaffirms a consensus. Castillo's time has really come!

8743

CSO: 3248/118

CUT OPPOSES GOVERNMENT'S SOCIAL PACT

San Jose LIBERTAD REVOLUCIONARIA in Spanish 29 Aug-4 Sep 86 p 5

[Text] The president of the United Confederation of Workers (CUT), Mario Devandas, addressed the 23 August meeting in La Catalina to set forth the confederation's position on the government's policy and on the projected social pact under which the government is supposed to mediate an accord between labor and management. Below we reprint verbatim the section of his speech dealing with the social pact.

Every time that the ruling sectors confront a crisis, they call on everyone to behave, to show patience and to act with resignation and they always wind up proposing some sort of social pact to achieve total harmony. Nevertheless, there is no balance in a capitalist society; there is, instead, constant imbalance. There is no harmony among the social classes; there is antagonism.

As long as the workers do not own the fruits of their labor, there will be exploitation of the workers, there will be concentration of wealth and there will be a class struggle. Therefore, we cannot accept an appeal to reconcile the interests of the workers and the employers, that is to say, those who sell their labor to live and those who buy it and thereby make fabulous profits, the people who endure the effects of the crisis and the big capitalists, exporters and holders of financial capital, who have used the crisis to stuff their pockets.

The economically powerful classes have given more than enough examples of their total lack of sensitivity. We are fooling ourselves if we think that they will change their ways overnight because of a pact that rests on moral precepts. There can be no social pact amid the abysmal inequality that capitalism causes between workers and bosses, between the people and the millionaires. This has nothing to do with anyone's good or bad will; it has to do, as we said, with the antagonistic contradictions between the classes that daily life makes so obvious, even though some stubbornly close their eyes and deny them.

We do not agree with the notion of a "neutral government." Governments represent the interests of a given class and are the instruments for pursuing its policies. The Costa Rican Government is no exception, of course. On the contrary, a document drafted by our comrades in the CNT cites a long string of

developments that are part of the policies through which this administration and previous ones have intensified the injustice and worsened the poverty besetting the Costa Rican people. The document notes that in just 5 years the percentage of wage-earners who can afford the basic shopping basket fell from 36 to 16 and that in the same period more than 100,000 families had to cut back on consumption; in other words, they got poorer. Who is responsible for the economic aggression against our people? We do not hesitate to point to this administration and previous ones as the culprits. In just 100 days the current administration has given conclusive evidence that it is merely perpetuating the anti-people's policies of previous governments. While price hikes that hurt the people are prescribed, monopolies such as Numar (owned by United Brands) are helped; while farm workers who ask for land are shot at, the government is pursuing an agrarian policy that is reducing thousands of small farmers to ruin.

Also being curtailed to the point of their virtual abolition are the social and labor rights enshrined in the Political Constitution and in international agreements, such as the right to collective bargaining and the right to organize. While the policy of the IMF and the World Bank has become a government program, the big capitalists are benefiting increasingly from a policy that the executive president of the Central Bank, Eduardo Lizano Fait, described in a recent interview as "letting businessmen make golden nails."

The government is in no way a neutral entity or a disinterested sponsor of the social pact. The most recent wage increase agreed upon by the government and management is an example, as it does not come close to offsetting the higher cost of living. In light of all the above, we feel that a social pact could be achieved only if capital stopped exploiting labor, which is something that neither domestic businessmen nor much less the foreign monopolies that control our economy can or are willing to do. We have to be realistic: there can be no social pact or understanding in Costa Rica. Along with all confederations and other sectors, the CUT signed a document that laid the groundwork for organizing the protest demonstration on 8 August. We are prepared to uphold and spur grassroots unity around negotiating the grievances contained in that document. We will negotiate with whoever we have to, but at the same time we will spur the mobilization and the struggle of the workers. In the event that the government agrees to begin serious negotiations with the labor movement, such negotiations could be not staged with the people as mere onlookers.

We feel that as the starting point of any negotiation the government and private enterprise must respect without restriction all of the freedoms that the workers have already achieved and that are explicitly set forth in the constitution, in international agreements and in other social and labor legislation.

Let us conclude by stating that the CUT feels that a democratic resolution of the crisis means pursuing a policy that benefits the masses, which cannot be achieved without harming the interests of a privileged few who enjoy an offensive affluence or without impacting foreign monopolies.

8743

CSO: 3248/118

PARTY LEADERS ADDRESS YOUTH ISSUES IN FIVE-PART T.V. SERIES

Havana GRANMA in Spanish 22 Oct 86 p 2

[Article by Georgina Jimenez; passages enclosed in slantlines printed in boldface]

[Text] It was as if we were having a conversation with Vilma Espin in our own living rooms that evening, talking about such important matters for everyone as the moral and intellectual development of our children, the essential role played by the home and school in their education, and the need for everybody on the block to take an interest in the upbringing of neglected and misguided children, through the Federation of Cuban Women (FMC), the Committees for the Defense of the Revolution (CDR), and whatever other means lends itself to this task.

That is how we were feeling as the television program "Our Children" progressed on Channel 6 last week.

With precise words, like someone who is reasoning with another personally, she conveyed a convincing message to us, colored by ideas and intimate memories from the childhood of the FMC president.

It was through these personal experiences at home that she learned at a young age to love truth and the Fatherland, and a thirst for knowledge was instilled in her as her early questions were met with truthful and timely answers. All of these confidences, in short, brought us, her interlocutors, back to our respective origins and prompted us to reflect on how we were shaped, imperceptibly, by the influence of our homes long before we entered school.

And thus we were able to grasp one of the key aspects of this program's message: /Education begins at home./

Vilma said a lot about this issue, and more importantly, she left us thinking about a lot afterwards. Later we recalled phrases such as: /Parents cannot divorce their children/ and /There are still families which believe that the education of their children is the sole responsibility of the school, and which expect their training to begin when they begin school life, without understanding the need to provide guidance to these children as early as their

first 5 years, which is such a vital period in the development of important personality traits./

This suggestive explanation of how to deal with the upbringing of our children from an early age, to instill attitudes and inclinations in them, and to develop abilities and correct behaviors in them, was an important moment in this conversation. It illustrated the vital link between the home and the school in the effort to achieve an action generated by society through the means and channels created for that purpose.

But when that harmonious action does not take place, when the family of the child or adolescent does not provide a truly educational environment and the school has not managed to offset that negative influence, what can be done?

An optimistic message in this regard, one designed to tweak the conscience of each of us (since we all belong to the social and mass organizations), was conveyed to us by Vilma's words and by the explanations presented by Comrades Osoria Herrera (of the FMC National Secretariat) and Vilma Valdes (an education official of that organization) as to what these organizations are doing and plan to do.

Yes, there is always something that can be done for the benefit of our children, no matter how difficult the personal situations of some of them are. For this purpose our socialist society has created the appropriate means, and our constant participation determines the scope of these efforts.

This was one of the truths that we derived from this experience.

This was the second in a series of five special programs in the "Our Children" slot, in which leaders of the Revolution will talk about educational issues. This half-hour program produced by the educational television of the Ministry of Education (MINED) is a good thing for everyone to watch, and we were fortunate to see it (though it came on a little late in the evening and with no advance notice).

This is a good time for us to make a firm decision to strive to exert a greater and better influence on our children and on others' children, because in them, as Vilma emphasized at the end of her conversation with us, lies the future.

8926

CSO: 3248/107

MACHADO VENTURA ADDRESS TO THIRD CDR CONGRESS

Havana CUBA SOCIALISTA in Spanish Special 1986 Edition pp 12-20

[Speech by Jose R. Machado Ventura, member of the Politburo and the Secretariat of the Central Committee of the Communist Party of Cuba, at the 3rd Congress of the CDR, Havana, 27 September 1986]

[Text] Distinguished delegations from friendly countries represented here, fellow members of the presidium, comrades of the Committees for the Defense of the Revolution (CDR):

We believe that the assembly process which preceded this event helped the CDR masses to make critical assessments of all the problems that are impeding the progress of the organization's work; it served as a formidable vehicle for responding to and highlighting our people's firm decision to combat poor work and to overcome the incorrect deviations and manifestations that have permeated the revolutionary process in the last few years. It was also a decisive step toward the refinement of the policy of cadres in the grassroots and leadership organizations, which is indispensable for improving the quality and efficiency of their work.

Although the Central Report contains critical evaluations of the difficulties that still remain, I would like to take this opportunity to emphasize some of those which are preventing the work from developing smoothly. Specifically, we can deal with the problems that we still have with an open mind, critically and frankly, because it is no secret to anyone, much less those of us who have been following this process from the ground up, that the organization has made progress. This congress is evidence of that. Nevertheless, to try to perfect things, if that is possible, it is necessary to talk about what remains to be improved. And that is the thrust of this speech.

There are still deficiencies in terms of the large number of issues that are discussed at the meetings of the leadership bodies, and this prevents them from going into the necessary detail on those matters which are essential to the organization's work. Efforts are divided between what is really important and other, minor issues. Collective participation in discussion and decisionmaking is still limited, primarily on the part of the nonprofessional members of the secretariats and the leadership.

It is necessary to be more precise in selecting the issues to be discussed, and to orient them toward more concrete and specific matters. The agenda should be drawn up with sufficient notice so that a collective analysis can be conducted of those important matters which require discussion and decisionmaking by the body as a whole. Some tasks and other issues of lesser importance or of an informative nature can and should be dealt with individually or circulated among all members of the secretariat; this will avoid long agendas and therefore unnecessarily long meetings, with the resultant lack in quality.

As for the assemblies with the CDR members, the decision to hold them bimonthly was a positive one, although there are still difficulties and these assemblies are still plagued by a lack of preparation and content. This implies that many members are not motivated to attend and participate actively in the assemblies.

It must be understood that the CDRs are not organizations for housewives and retirees alone. Manual and intellectual workers, members of the Armed Forces, peasants, students, and others also belong to them--in fact constitute the majority of their members. All of these members have their own assigned tasks; they have political participation in their respective workplaces or schools, and for this reason they receive a given amount of information and guidance. As a result, we should not try to turn the CDR meetings into activities where people repeat what is already known, formal events aimed at providing schematic orientation. What they should be is just the opposite: useful gatherings where the main purpose is to provide guidance and information on matters of interest to the community, to the country, and even matters of international policy, with solid arguments that are presented in a clear, simple fashion that is understandable to all.

Our people have great responsibilities and countless social duties at their workplaces or schools. They attend parents' meetings at school, they are militia members, they participate in Defense Sundays, they carry out other tasks in the political and mass organizations. Thus, to ensure that they participate conscientiously in the CDR assemblies, a joint effort is required of the entire executive secretariat of the grassroots organization to prepare for the meeting properly, collectively analyzing the issues that will be discussed and the agreements that will be proposed. The members must be given sufficient notice of the meeting, and political efforts must be developed in conjunction with this important event in order to guarantee that the organization's message will reach each individual, each home, directly and effectively. Remember that people are not fond of wasting time.

When this is achieved in the grassroots organizations, we are certain that the assemblies will become veritable revolutionary forums where the organization's tasks and other issues of interest to the cadre or the area of the CDR are discussed openly and democratically. Specific measures will be adopted to cope with any difficulties that may be impeding the achievement of the organization's tasks, and the CDR members will feel inspired to participate again when they are called upon to do so. To attain this objective, the executive secretariat must function systematically.

The monthly meeting of the executive secretariat is necessary to analyze and discuss the status of the work plan, to distribute tasks collectively among its members and among activists, avoiding the centralization that causes so many deficiencies and limits the cadres' potential for development. This meeting must also serve to prepare the agenda for the assembly with the members; we have observed that a number of professional cadres and grassroots leaders have the mistaken idea that all they have to do is meet to prepare the assembly in a pro forma fashion. This is a serious error, because if the CDR executive secretariat and the activists do not work directly and effectively with the members, as several delegates have stated here, tasks such as the people's guard, blood donations, and the collection of contributions, just to cite a few examples, cannot be carried out. The basic criterion for a good assembly is that it inform the masses of what their leaders have been doing since the last meeting, hence the need to clarify the misconceptions that impede the proper development of what we can say is a decisive factor in revitalizing the functioning of the grassroots organization: I am referring to the systematic meetings of the secretariat.

The results obtained by the CDRs in the policy of recruiting new members are closely linked to the functioning of the grassroots organizations: When the latter function correctly, we observe that a large number of people over the age of 14 belong to the CDRs, practically the maximum number possible. On the other hand, when the CDR secretariat does not function well, it does not take any interest in the young people who turn 14, or in new residents who come to the cadre, and membership is low.

The collection of contributions by the CDR must be interpreted, in the first place, from a political viewpoint. We have noted with concern that in recent times, in an effort to attain high rates of contributions by members, motivated by the emulation that is practiced by all grassroots bodies and organizations, economic criteria have prevailed over political ones. The collection of contributions cannot be neglected, and the Bylaws state that this is one duty of the CDR members; nevertheless, this interest should not lead us to forget about making a systematic effort to recruit new members or to expel anyone who for whatever reason cannot make the contribution; we should not lose sight of the fact that this is a voluntary activity, like all the tasks carried out by the members. It should be clear to everyone that if it is important to the organization for a member to make contributions, it is even more important for him to participate in the work that is guided by the CDR. Moreover, an intensive political effort must be made with those who do not make contributions to convince them that it is necessary and appropriate to make them.

The struggle against red tape, and against excessive requests for information from the rank and file members, primarily at the municipal level, should be an ongoing effort. This suggestion was a constant at the evaluation assemblies in which we participated, and this matter has been mentioned here as well.

We know that in the last several years the organization has considerably reduced the amount of data requested in the current information system; however, additional information is requested through other channels by some spheres of work. There has been abuse in this regard even in the party

itself, in the higher echelons of the CDR organization, and also in the administration.

We must simplify the information requested at all levels and keep it to a bare minimum, so that only the data that are useful for the function at hand are obtained. There is also a tendency to want to control everything that takes place at the grassroots level from the provincial and national levels; this leads to the proliferation of reports and statistics, and by the time they reach those levels, they are already out of date and are not used objectively.

One negative trend that is dealt with critically in the Central Report is fraudulent information. A tenacious and systematic battle must be waged against "el globo" [lying] and against the emulation campaign that is organized to attain the highest percentages in some tasks which cannot be compared or cannot be computed objectively. Those who engage in these irregularities should be severely punished.

The results reflected in the Central Report confirm that there were insufficiencies in the cadre policy during the period in question. The instability of the cadres, the inadequate composition of the leadership bodies, deficiencies in the drafting and therefore in the utilization of the reserve lists, the lack of a forward-looking plan for the political education of the cadres, and deficiencies in the leadership which were manifested in the national school, all are very telling indications of what remains to be done in the coming years.

The recently concluded 3rd Congress, however, provided a vigorous impetus and served to strengthen the future work of the organization, up to the provincial level. Evidence of this is the fact that a significant number of cadres of youths and women were included in the secretariats and the leadership, with a higher level of education. This will be a decisive factor for advancing even further in the application of the CDRs' cadre policy.

The above requires the development of a broad plan of training and attention to leadership bodies and to newly-promoted cadres, so that their work can be sufficiently effective and stable.

As for the inclusion of women in leadership posts, although progress has been made since the previous congress, the 25.5 percent rate is still low compared to the composition of the membership and the representation of female leaders in the grassroots organizations. Therefore, a constant effort must be made to increase these percentages so that the proportion will more accurately reflect the effective and real participation of women in the tasks of the CDRs.

We should emphasize the careful and constant effort to pay attention to the cadres that are joining the work of the CDRs for the first time, primarily at the municipal level. As the report states, that is where there has been the most instability.

In this regard, we should reflect on the various aspects that were mentioned when we discussed our concerns about the functioning of the organization; to a great extent, this is related to the cadre policy.

When a municipality has capable cadres that know what they are doing and plan their work properly, and when there is a body that meets regularly to discuss, analyze, and make decisions on the fundamental issues of the organization's work, a body that monitors, controls, strictly enforces task assignments, keeps in touch with the rank and file, and participates in some of their meetings and assemblies, we can be sure that it is functioning systematically and that the results of the work are favorable.

Now, it is important to realize that the problem does not lie just in the number of visits that are made, but also in the quality of those visits. On many occasions the leaders go to the membership only to collect contributions, to provide guidance, or to notify them of some meeting. But the essence of the visit lies in the clarification of the tasks proposed by the higher bodies and organizations, in contributing to the education and development of subordinates by helping them to clear up confusion, in correcting any errors they may commit, in sharing the positive experiences gained in the work, and in providing speedy solutions to whatever problems are discovered. In sum, establishing priorities for carrying out the attention plan that is formulated by each cadre determines, to a great extent, the results that are ultimately achieved in the organization's overall tasks, and in the stability and development of the CDR and zone leaders, who are the natural pool of cadres from which the organization can draw.

The basic idea is to go down to the lower levels more often, to pay more attention to the CDR, the zone, and the municipality, as that is where the tasks are actually carried out. They must be given help and advice; the leaders must participate in their meetings and gain first-hand knowledge of how they implement the activities that have been suggested from above. In addition, on occasion they must take direct responsibility and share in the successes and problems.

In the Central Report and other documents analyzed by the congress, the organization has cited the need to conduct a comprehensive analysis of the current content, methods, and modus operandi, because a good number of the tasks that are carried out do not correspond to the fundamental role of the CDRs under the current circumstances of our development. As a result, attention is diverted toward minor activities, or tasks that should be undertaken by the administrative bodies, or activities that overlap with the responsibilities of other mass organizations. We heard this assertion strongly stated at the evaluation assemblies which preceded this event.

It is also healthy, in this context, to look at the number of meetings, events, plenums, and many other activities that are undertaken these days, oriented toward the lower-level organizations; a good number of them have been taking place during working hours, which cuts into the workday, given that most of the participants are workers. And if, in light of this policy, we assess the usefulness of all these meetings and events, we will see that their results are not very significant, and they also detract from the time that the cadres could be spending with the rank and file.

We feel that this analysis is very timely, because in keeping with the error-correction process in which our country is immersed, we must rectify everything that has been poorly done up to now. And if anything should be clear to all the leaders and members of the organization, it is that the CDRs were created to defend the revolution, to struggle against its enemies, to combat and confront crime and antisocial behaviors, to ensure systematic revolutionary vigilance, to continue being "an extraordinary instrument for the defense of the achievements and the tranquility of our people," as Comrade Fidel stated in the Central Report to the 3rd Party Congress. In addition, their first task is that of ideological combat, that of confronting what is poorly done, that of engaging in continual political work with the vast masses of our population with that global, non-sectarian attitude. This was discussed so eloquently here yesterday when the delegates demonstrated that the concept of concrete political work has already been accepted by the masses, and we regard this as a decisive step forward. Giving priority to the work of the CDRs in relation to vigilance and ideological work does not mean the neglect of no less important tasks, such as education, public health, and others entrusted to them by the party leadership and the government.

Comrades of the CDRs: Let us make our proposals a reality, and above all, let each of us play the role that corresponds to us with the effectiveness demanded by the times we live in. Let us increase our organization, our combativeness; let us prove that the strong organization founded by Fidel 26 years ago is today even larger, stronger, better prepared, hardier, and more determined than ever before; let us raise high the glorious banners of socialism in the fatherland of Maceo, Gomez, Marti, Mella, Che, Camilo, and its founder and guide, our Fidel.

Fatherland or Death!
We Shall Overcome!

Special address at the 3rd Congress of the CDR
Havana, 27 September 1986

8926
CSO: 3248/115

CARLOS ALDANA ON IDEOLOGY AT THIRD CDR CONGRESS

Havana CUBA SOCIALISTA in Spanish Special 1986 Edition pp 21-28

[Speech by Carlos Aldana, member of the Central Committee of the Communist Party of Cuba and chief of the CC Department of Revolutionary Orientation, at the 3rd Congress of the CDR, 27 September 1986]

[Text] Comrade Fidel, Comrades:

It was our national poet laureate, Nicolas Guillen, who said that one writes a speech when one has not had the time to improvise it. Allow me to borrow that ingenious idea of Comrade Nicolas to explain myself to you: Although I am not going to read from a text, I do not pretend that I am improvising these remarks, because I have thought about them a great deal. And in our party, we are constantly thinking about the content and the methods, forms, and style of ideological work.

I would like to say, first of all, that we endorse the essence of the proposals and opinions expressed in the documents that were presented to the congress, with respect to ideological work. One virtue that we laud in these proposals is their clarity.

If you ask me what quality we want to prevail always in all our ideological work, in our messages to the masses, I would say without hesitation that it is faithful adherence to principles, concrete content, and clarity. We have not yet followed the example set by Comrade Fidel in this regard, because we have not yet grasped the idea that in politics and in ideology, when it is a revolution that is being conducted and not a doctoral dissertation, mastery consists of harmonizing firmness, profundity, and rigor with the ability to communicate, with beauty and simplicity, or the simplicity of true beauty.

I have never heard Comrade Fidel use a cliché, a rhetorical expression; his thoughts are so fresh that they never require the strange, pseudoscientific, intellectualized words which are sometimes popular among us and which we repeat whether or not they are appropriate.

We are even more pleased at the concrete evidence we have seen here, as we have listened to you during these 2 days, of the understanding that is opening up among us, within the cadres, among the activists, among the revolutionary

members, about the specific elements of ideological work and the Marxist and Leninist concept of the reciprocal influence between reality and consciousness, between working and living conditions, between forms of retribution, between social and cultural life and the ideas that prevail among the people. The link that you have established between the task of revolutionary vigilance and ideological work reveals that correct understanding of the phenomenon of social consciousness. This phenomenon, naturally, transcends the task of revolutionary vigilance, and I would say that perhaps it is best expressed in the activity of donating blood.

Thus, for us, ideology, the consciousness of the people, becomes something concrete, something that can be seen, something that can almost be touched, because it is manifested in behavior, it is manifested in conduct, it is manifested in the response to the various alternatives. And that is why the only kind of effective ideological work that can really be established is that which takes into account labor behavior, behavior toward patriotic duties, conduct in response to social and family duties, and the responsibilities of party members.

On the basis of this concept, it becomes clear to us that ideological work is not the exclusive concern of a group of specialists, or one particular sphere or sector of the party, or any of the other structures of our society; rather, it is a task that concerns all of us, involves all of us, and only if it is carried out by all of us will it really meet its objectives.

This is not to deny the specialized nature of some tasks within ideological work that in fact require cadres with a certain skill; but ideological work, in essence, is first and foremost the responsibility of the family. It continues in school, reaches its culmination in access to working life or to responsibilities in terms of the country's defense or security, and lasts even longer, when a man or woman acquires responsibilities with respect to society and begins a family.

The interesting thing for you is that the point of departure and the point of arrival for ideological work will always be the community, the nucleus of neighbors, the family, which is the cell of our society and the basic element that binds together the Committees for the Defense of the Revolution.

That is why today you have at your command an experience that is extremely valuable for our country. No one in Cuba has as much experience as the Committees for the Defense of the Revolution do in how ideological work can and should be developed among the masses. No one, therefore, is in a better position of maturity and development to analyze the work done in a self-critical spirit, and, on the basis of the rich experiences and in some cases the contributions that the Committees for the Defense of the Revolution have made to this task, to revise what needs to be modified, what needs to be improved, what needs to be brought up to date, to keep up with the changes that have taken place within our very society, and to respond to the call to rectify our errors and our deviations in the present situation.

As has been stated here, when we speak of ideological work we speak of informing the masses, reporting on party policy, reporting on the development

of the project of the revolution, reporting on our problems and difficulties, reporting on the adversities we face.

We speak of guiding, of providing orientation as to how and why we should undertake the tasks and the great objectives proposed by our party, of guiding the interpretation of events that occur within our society or in the world, of showing how to confront the campaigns of our enemies.

And we speak of persuading, we speak of convincing. Having power and enjoying the support of the vast majority of our people does not exempt us from having to convince people; on the contrary, the very essence of that power imposes on us the obligation and the duty to convince.

For this reason, the essence of our work should be to present convincing arguments. And to present a convincing argument, ideological work should entail the fundamental method of encouraging dialogue with the masses. We must move beyond the phase of one person speaking while everyone else listens, and open up a new era in which we dialogue with the people. We must engage in dialogue to find out what they do not understand, what needs further explanation, what they are not truly informed of, what confusion may exist regarding a specific problem, because in that way our efforts can exert a truly educational, illustrative, and mobilizing influence, which is what is expected of us.

Yesterday Comrade Fidel was saying that on occasion the effort to present an argument runs up against the almost insurmountable difficulty of having nothing to say, or having to explain certain deficiencies, errors, or weaknesses. But he pointed out also that even in these situations, we still have the fundamental argument, the fundamental argument of the revolution and its works. Because with all our deficiencies, difficulties, and errors, with all the problems that we are facing so bravely and serenely, this country is the most cultured, most moral, most secure, most far-seeing country in the Americas.

And to carry out this work, we must say that we have never suffered from a lack of guidance. What has happened to many of us is that we have confined ourselves to applauding Comrade Fidel. When I look, without going very far, at the speeches presented at the National Energy Forum, the 6th Congress of the Federation of Mid-Level School Students (FEEM), and the 7th Session of the National People's Government Assembly, and at the proposals made on those occasions, the reasoning, and the reflections expressed therein, I wonder how it is possible that our problems can be expressed so clearly and confronted so openly, and yet we find ourselves in some situations and circumstances that are, frankly, sometimes inexplicable.

General guidelines have never been lacking and are not now. But by the same token, we must say that these guidelines cannot respond to local issues, specific issues, neighborhood issues, cadre issues, municipal issues, provincial issues--and that is the work that must be done by our party, our mass organizations, territorially, locally.

We must have responses. These responses must be sought wherever they can be found, no matter who has them, so that we can explain our problems, our situation, our difficulties, and the limitations that restrict us, to the people; so that we can lay the foundation of our policy. And this, Comrades, is an interminable task, because when the day comes that we think we have all the answers, the questions will change.

And in this regard, we cannot forget that our ideological work must necessarily include the struggle against deficiencies, insufficiencies, and ideological problems among revolutionaries in the educational sphere.

A few years ago, during the era mentioned here a moment ago by Comrade Gen Abrantes, the confrontation was only against the counterrevolution. That confrontation persists, and it will be with us all of our lives. But ideological work deals not only with the revolution-counterrevolution confrontation; it also concerns the need for each of us to respond to the exigencies of the revolution with a conduct that is worthy and true to the principles and morality of socialism.

This means that we must recognize incorrect behaviors, errors, and inconsistencies among revolutionaries, within our grassroots organizations. In the final analysis, these deficiencies have an ideological explanation, and they require, of course, another kind of work, of attention, of struggle that is radically different from that which we carry out when we face the enemy. But we all are familiar with behaviors that stray from the principles and morality of socialism, as we see them where we live and where we develop. We see many parents who do not behave properly toward their children, who allow them to live like drones and parasites; they are able to work and in a position to work, but they live off their parents rather than work. On occasion, these parents make some effort to help their children shirk social service, sometimes even hiding them when they are violating or evading military service. We face problems of this nature, and they are part of the irregularities that can be found within our society. We must deal with them with the same serenity and wisdom.

Today we are engaged in the task of building a new society and developing an advanced consciousness in keeping with these principles, and in doing so we are confronted with the most virulent hostility of the Yankee imperialist propaganda and subversion centers.

As was stated here, various enemy radio stations are currently working against Cuba. They are devoted to the task of distorting our reality, slandering our leaders, and concocting and spreading the most inconceivable lies about what is going on in Cuba. Three medium-wave and four short-wave radio stations broadcast a total of 106 hours a day of anti-Cuban, counterrevolutionary programming.

Our enemies, judging by the internal documents of the State Department from which these monsters were created, are placing their hopes (unfounded, naturally) on these radio transmissions.

They wear themselves out saying that we punish or persecute those who listen to the enemy radio. Here all of you know, our entire nation knows, that such persecution exists only in the minds of these people who fabricate shady undertakings. But it is true to the extent that it is a matter of personal dignity, of revolutionary dignity, not to listen to the enemy radio transmissions. I think it is simply a matter of self respect.

That is why we believe that this congress is a point of departure for expanding the forms, the methods, and the style of ideological work, conceived in this comprehensive manner, conceived in such a way that all the cadres and all the structures have a role to play. To attain the level of effectiveness to which we aspire, we must infuse this effort with a specific content that corresponds to the real situations of the locality, the territory, and the province.

Given the difficult circumstances we face today, the process we are undergoing in facing our deficiencies, deviations, and violations, and the increased hostility on the part of our enemies, it is worth recalling here the time when the undisciplined Yankee troops killed one of our soldiers in the old border battalion in Guantanamo. I remember that on that occasion, Comrade Fidel assessed the situation and noted the indignation we all felt, and he said: "The intelligence will not be lacking in courage, and the courage will not be lacking in intelligence." And that is how ideological work must be carried out: with intelligence and courage.

In the words he spoke upon submitting the Central Report to this congress, Comrade Armondo evoked with lyrical and passionate spirit the image of the "Granma." Soon we will be celebrating the 30th anniversary of that vessel's arrival on our shores, a vessel which now carries all of us.

As we approach the 30th anniversary of that precursory feat, and as we face these tense and complex times today, allow me to recall another incident which also occurred nearly 30 years ago, the night of 18 December 1956. At that time, in the place known as Cinco Palmas, in Purial de Vicana, our commander in chief and Comrade Raul Castro, who arrived with five armed men, met up after the setback at Alegria de Pio. At that unforgettable moment, there were eight of them with seven rifles, and under those dismal circumstances Comrade Fidel exclaimed: "Now we will indeed win the war!"

How can we not succeed today, how can we not face all the difficulties and setbacks, how can we not overcome any errors or deviations, if today we are a united people, if today we have a battle-hardened party, if we have at the head of our revolution the same invincible commander in chief as we had at Cinco Palmas?

Thank you very much.

Special address at the 3rd Congress of the CDR
Havana, 27 September 1986

8926
CSO: 3248/115

ABRANTES ON CDR-MININT RELATIONSHIP AT CDR CONGRESS

Havana CUBA SOCIALISTA in Spanish Special 1986 Edition pp 29-36

[Speech by Maj Gen Jose Abrantes, member of the Central Committee of the Communist Party of Cuba and minister of the interior, at the 3rd Congress of the CDR, 27 September 1986]

[Text] Comrade Fidel, Comrades of the presidium, Comrade delegates, and invited guests:

First of all, I would like to convey the fraternal and combative greetings of the Interior Ministry (MININT) to this 3rd Congress of the Committees for the Defense of the Revolution (CDR); the greetings of the uniformed CDR members, who are we ourselves, who are our chiefs, officers, sergeants, and combatants, to all the other CDR members in the country, whom you so ably represent, to our combative organized people, to our brothers and firmest allies in all the battles of yesterday, today, and tomorrow.

This historic congress of the Committees for the Defense of the Revolution is being held at a very special moment in the life of the country, during the process of rectification, of intensifying rigorousness and efficiency, which the party and the commander in chief have called upon us to carry out.

Our duty, therefore, in coming to you, is not to recount past glories--of which we are all aware--nor to make a complacent speech; it is to think critically about what are the principal tasks that our ministry should undertake today with the active support of the people. We must think about what we have done, what remains to be done, what criteria should guide us, and how, in our opinion, the irreplaceable work of the Committees for the Defense of the Revolution should be projected toward those objectives.

For some time now (on the basis of the development attained in our security, without neglecting for an instant our vigilance in the face of enemy actions), it has been apparent that our ministry needed to make a great effort in the internal sphere, especially in the struggle against crime.

In 1983 we began to notice an increase in certain types of crime, especially in the capital and other major cities in the country.

It was clear that this phenomenon was closely linked to the deformities and deficiencies that have been pointed out in recent months by Comrade Fidel, to the insufficiencies in educational and political work, to the economic difficulties faced by the country during this period, to material and cultural realities that are inherent in the underdevelopment that we inherited when we shook off the yolk of neocolonialism once and for all, and also, of course, to the difficulties present in the agencies of the ministry that are in charge of keeping internal order in society and enforcing respect for and obedience to the norms of coexistence and the laws of our revolutionary state. We are struggling to eradicate these deficiencies at all costs.

Yesterday, when the Central Report was discussed, the problem of vigilance and combativeness in the struggle against crime was--as is logical--at the center of attention in the congress. We have taken into consideration all the ideas presented here.

We feel it is very important--and I want to take this opportunity to stress this point--that our CDRs, primarily in the capital, be informed of the criteria that we apply. They must understand and accept these criteria, and must make sure they are able to contribute increasingly to the policy we have proposed to deal with crime and antisocial behavior. This is not a policy of the ministry, but a policy of our party, an integral policy, a policy that looks to the future. The ministry is applying and promoting this policy firmly, as are all the other state, political, and mass organizations, under the clearly established principle that this struggle against crime should be the task of all society.

We have undertaken and continue to develop a wide-ranging effort to build up our police forces, to ensure their adequate selection and training, and to strengthen their commands, the organization of their work, and the allocation of the material and technical resources they need for their work.

Closing beer halls in the downtown areas of the capital and some other measures--still insufficient--that have begun in order to change the atmosphere in bars have helped eliminate centers of concentration in public places. A heavy blow has also been dealt to the so-called underground beer vendors, and we will continue to pursue them. We have also cracked down on "jineteros" and other corrupt elements involved in harassing tourists, and on speculators who do not obey the established regulations. We have put a stop to the illicit activity of the so-called "merolicos" [vendors who resell goods from the parallel market], eliminating this malignant phenomenon of capitalist mercantile germs that is inadmissible in our workers' society. Under the leadership of our party, we will fight against all those who try to implant disorder, social indiscipline, and parasitism in our society. We know very well how our revolutionary people feel about these phenomena, and that is why we know that our actions enjoy and will always enjoy their most vigorous and firm support.

We are striving to ensure that our work is governed by two basic premises: the prevention of crime, and differential treatment for criminals in comparison with the rest of the people.

Unfortunately, there are still some who believe that in any situation, often in situations provoked by their own negligence or indifference as administrative officials or as citizens, that the only solution should be to call the police and complain, as if that were the correct solution.

In fact, however, the agencies of internal order cannot--nor should they ever try to--replace the role of the school, the family, the political and mass organizations, the institutions of the state and the administration. The police, of course, should help and cooperate closely with these factors. But they must avoid spreading themselves too thin and assuming functions that are beyond their purview, which would prevent them from concentrating their energies on essential tasks. We are developing this policy with all due vigor.

The solution lies in the coordinated and harmonious action of all factors of society, in the education of the individual, in the gradual satisfaction of their material and cultural needs, in the establishment of a strong and conscientious social discipline, in the sense of order and rigor that should govern the operations of every institution and public service in the country.

The solution lies in the profound understanding that we should develop with respect to the causes and conditions that generate crime, and how to act upon them.

We must prevent so that we do not have to repress, work on the causes and not the consequences, and conscientiously keep ahead of events so that we can exert true control and influence over them.

On the basis of these criteria, the policy we are pursuing is to reintegrate into social life, under certain conditions, all those who have been convicted of acts which are not very dangerous, who are not recidivists, and who have proven they can behave properly. In this regard, we have already incorporated several thousand prisoners back into social life, and most of them have been given jobs in construction or agriculture. I would like to inform you that so far we have had problems of recidivism with less than 1 percent of these people, and we revoke this privilege for that minority and make them serve both the sentence they were given before plus the appropriate penalty for the new crime.

The party and the state organizations have lent firm support to this task, which we also intend to continue systematically. At the same time, we will be applying other measures, such as the separation of prisoners by age, by type of crime committed, and according to the background and characteristics of each inmate.

We are convinced that this effort is one of the most humane and just we have ever undertaken. We believe that the Committees for the Defense of the Revolution, along with the other political, administrative, and trade union factors, should also be an important force contributing to the assimilation of these former prisoners in labor and in social life. No doubt the CDRs' work in residential areas is very helpful in preventing the rejection of these people by the public and in attracting them to the organization's activities.

Our watchword is to defend society, save mankind, and bring the maximum number of forces into the revolution.

Our policy in this regard has not the slightest element of weakness: We will vigorously combat the deliberate agents of the enemy, the counterrevolutionaries, the corrupt and corrupting criminals, the "guaposos" [aggressive people], the antisocial elements, and we will be as severe as we need to with them.

This war without quarter that we are waging against crime does not mean that we are abandoning the policy of differentiation in the treatment of people. We will act with resolve, firmness, and vigor, but without excesses and with the care necessary to prevent damage to those citizens whose actions do not warrant such measures.

The essence of the policy we are carrying out is that for the vast majority of our people who work and strive to further the revolution, our organizations, in particular our police, should be the polite and efficient guardians of tranquility and wellbeing, providing immediate and safe assistance when needed, and precise guidelines when requested.

The police must be severe and strict with the tiny minority who insist on leading a life of crime, aggression, and other manifestations; they must serve as an insurmountable wall that prevents these antisocial beings from achieving their ends and makes their lives unbearable.

We also hope to strengthen the discipline and social values of our combatants even further.

We are taking particular care to oversee all those activities in the ministry that influence public opinion and the country's political and moral climate. As Fidel has told us, nothing should besmirch the image of the MININT combatant as a selfless, determined revolutionary who leads an austere and simple life, always in touch with the people of which he is a part and whom he serves.

As I stated at the beginning, our emphasis on internal order does not in any way mean that we are neglecting our vigilance against the plans and manipulations of the imperialist enemy.

The Cuban Revolution is at present the victim of one of the most violent propaganda campaigns of discredit and calumny that we have ever known. At the same time, the United States Government is pressuring to reinforce the blockade and to hinder our financial negotiations. The imperialists know what economic difficulties our country faces, since we do not try to hide them, and they are trying to take advantage of them to achieve their anti-Cuban objectives. Their radio broadcasts represent an attempt to increase discontent and to discourage the population. The current rectification process is being distorted and used for these same purposes. At the same time, they are once again encouraging illegal departures and desertions.

We should not be disturbed or surprised that some weak and cowardly elements are receptive to these enemy campaigns. During times of trial and tribulation, there are always those whose strength and will flag, who are not equal to the sacrifice required. They have nothing to do with our combative people, who have made it overwhelmingly clear that they are standing firm, willing to fight, energetic, brave, and determined to live with the revolution or die with it, to the last man or woman.

It is very clear that this entire process is being manipulated by the Yankees for the purpose of undermining the revolution.

In view of this situation, at the same time that we step up our political and ideological efforts, at the same time that we must improve and propel our economic effort even further--amid the objective limitations that we suffer today--at the same time that we take the offensive in our propaganda, we must also redouble our vigilance, our sensitivity, our ability to discover the enemy's intentions and to head him off.

On this front, as always, we know that along with our state security organizations we will be able to count on the Committees for the Defense of the Revolution, whose guard will always be up.

These days we do not have a large number of counterrevolutionary organizations, or major sabotage efforts and bombings, or armed bands; but we still have to fight the enemy, with his new methods and projections, we still have to fight criminals and antisocials, and we still have to ensure the tranquility of our working people.

Today we have the experience and maturity that we have gained during 27 years of revolution.

We will be able to make better use of them to the extent that the ministry, the CDRs, and all the other factors of society, under the leadership and guidance of the party and Fidel, are able to engage in a much better coordinated joint effort that is preventive in nature and comprehensive in scope. We need a more systematic effort, information that is speedier and more objective, an ongoing analysis of the operative situation, and constant feedback on the state of mind and feelings of our people.

That is why we say to you, dear Comrades, that while our close cooperation was imperative in the past, this cooperation will be even more necessary and indispensable in the battles to come.

Though the fraternal struggle of the Interior Ministry and the Committees for the Defense of the Revolution is already recorded in the history of the Cuban Revolution, more pages lie ahead in the difficult and heroic history that has not yet been written.

Let us not think for a moment that all the glorious hours and all the meritorious efforts of the revolution are behind us. In the battle with the enemy and in the long and complex struggle that lies ahead for the creation of an exemplary internal order in our fatherland, we will undoubtedly find many

more reasons to be proud in the future, and new laurels of glory and victory undoubtedly await the organization that our commander in chief founded with such extraordinary foresight 26 years ago: the Committees for the Defense of the Revolution.

Long live the 3rd Congress of the CDR!

Long live the undying brotherhood between our Interior Ministry and the Committees for the Defense of the Revolution!

Long live the Communist Party of Cuba!

Long live Fidel!

Fatherland or Death!

We Shall Overcome!

Special address at the 3rd Congress of the CDR
Havana, 27 September 1986

8926

CSO: 3248/115

POLITICAL PRISONER'S RELEASE, PRISON EXPERIENCES RECOUNTED

Havana GRANMA WEEKLY REVIEW in English 9 Nov 86 p 10

[Article by J. P. Garcia]

[Text]

● OUR INTERVIEW with Conte Hernández began in the prison's recreation area. At 55 years of age he seemed to be in perfect health. He spoke in short but clear sentences all about his experiences as a messenger for a dry cleaning shop, a bus driver for the Allied Bus Line (Route 79), a worker for the Central Organization of Workers led by Mujal and, lastly, a member of Batista's police force, which he had joined in 1958. He said that he formed part of special group 5, led by Colonel Carratalá, a notorious murderer, and that the group was designed to locate, capture and interrogate participants in the underground struggle.

He was on guard duty on December 31, 1958, he said, when he learned of Batista's flight as it was being announced over the microwave radio of a patrol car. Accompanied by another 13 policemen, he went to the Rancho Boyeros airport and at 7:00 a.m. on January 1 he and the others left the country, fleeing from revolutionary justice. He said that he always resided in Miami and that after his arrival there he had worked in several factories until he was recruited for the mercenary forces financed and armed — and "sold down the river," he added — by the U.S. government.

He recalled his capture on April 23, 1961, following the overwhelming defeat. It happened on the coast of the Isle of Pines, where he and several other mercenaries had arrived on a motor boat.

He was sent to Havana in September, he said, and from there to Santa Clara, where he was to appear before the Revolutionary Court in charge of case 833/81. The 14 defendants accused of crimes perpetrated during the Batista regime included Ramón Calviño Insua, a notorious murderer and longtime friend of Conte's. Conte hastened to explain that Calviño belonged to a special group of the 5th police station that was led by Corporal Esteban Ventura Novo, while he was member of special group 5 led by Carratalá.

Also facing trial there were R. Soler Puig, a hired killer known as "The Corpse" and a former member of Batista's army and confessed murderer named Jorge Kim Yung, nicknamed "Kim the Chinaman." Five of the defendants were sentenced to death and the rest, Conte among them, to 30 years' imprisonment. In July 1972 Conte was tried for having escaped from the Melena del Mar prison, taking advantage of a low security prison regime. He was captured along with three other counterrevolutionaries as they were trying to leave the country and he was sentenced to an additional ten years in prison. Therefore, his release comes at a time when 15 years of his sentence are still unserved.

Regarding his life in prison, he said: "I'm a well-informed person. I read Granma and Juventud Rebelde newspaper every day and I also read Bohemia. I watch some of the programs on TV, but I have the same ideas I had when I was sent to prison. I never created or was in favor of creating problems for the prison authorities. For example, when a large number of inmates refused to wear the new uniform, I wore it. I've always believed that one goes to prison because he commits a crime and the prison regulations are applied by the prison authorities. I've always respected them and they, in turn, have respected me.

"Getting paid for working while in prison means a lot to the families. I wasn't too hard-pressed, because several years ago I asked the prison authorities to provide economic assistance to my mother and it was immediately granted."

THE BRIGADE: A SPORTS CLUB

"As to the future," he said, "I'll leave for the United States with my mother and there I'll join my wife. I'll be living at 3355 NW 81 Terrace, Miami, Florida 33147, and I'd appreciate it very much if you would send me a copy of Bohemia when it publishes this interview.

I'm sure I'll be asked all sorts of questions by the U.S. press and I'll tell them exactly what I've told you. I expect to live a private life, since I view the other members of Brigade 2506 and those who belonged to the old regime as mere acquaintances. Moreover, I don't think they're in a position to offer me anything worthwhile. Some of them are involved in politics and I don't see anything for me in that. Others deal in drugs and I don't agree with that; and the rest are either in business or have retired."

The interview had begun 40 hours before and we continued it at the airport's cafeteria. We spoke about the past, about exposed criminals, about the most corrupt members of Batista's repressive apparatus, about an adolescent gunman and about an illusive dream of invading the homeland and becoming a policeman again. By then we had gone back to the '40s.

"I began using firearms when I was 16. I joined several groups led by individuals who apparently were fighting for a republican, democratic cause, but they turned out to be thugs with dreams of being big-time gangsters, like Rolando Masferrer, who eventually became the leader of the notorious 'Tigers'. I was also involved with Mario Salabarría, Jesús González Cartas, who was known as 'The Strange One,' and Emilio Tró. They taught me a little bit of everything. I was involved in homicides and accused of extortion, and I got mixed up with small-time gangsters. As delegate for Route 79, I opposed José María Pérez [a noted labor leader of the transportation sector who was murdered by the dic-

tatorship]. Later I went to work for Eusebio Mujal at the CTC as a professional activist and in 1958 I decided to join the police. For the next six months I was pretty active in a series of convulsed situations. Fortunately, in the trial after the invasion nobody testified against me and I only got 30 years, but I always feared that someone might show up and complicate matters. That's why I escaped from the prison farm and tried to leave the country clandestinely."

I asked him how he felt about being released. He said, "I'm grateful to Senator Kennedy for all his efforts, but I'm certain the biggest reason for my release was determined by Cuba and its president. If the U.S. government or U.S. personalities want to help the few counterrevolutionaries still in prison, that is, to solve the problem of those in Boniato prison and the few in the Combinado del Este prison, all they have to do is make the arrangements and issue the entry visas. I think that only an exceptional few would be prevented from traveling to the United States. The best proof of this are the ones who left before me."

I was approximately 9:30 a.m. on the cloudy morning of Saturday, October 18, that the last human vestige of the first defeat of U.S. imperialism in Latin America left Cuban territory. Mercenary Conte Hernández had left Cuba, never to return.

Once again the Cuban government's will and determination to apply a consistent human rights policy had been made evident.

(Taken from Bohemia magazine)

/9274

CSO: 3200/7

ECONOMIC STATISTICS YEARBOOK FOR 1985 AVAILABLE

Havana GRANMA in Spanish 22 Oct 86 p 3

[Excerpts] Havana--The first copies of the Statistical Yearbook of Cuba for the year 1985 were delivered yesterday by Fidel Vascos, minister-chairman of the State Committee for Statistics (CEE).

The issue, which contains a compilation of data up to the month of December 1985, is a real accomplishment, as few countries are able to publish their yearbooks 10 months into the following year.

The volume contains a large amount of information on the overall national economy, including the Gross Social Product with the principal indicators and their dynamics with relation to the previous year, production, the utilization of national income, and many other figures.

It also contains everything related to labor and wages, investment, industry, construction, agriculture and livestock, transportation and communications, domestic trade, foreign trade, science and technology, education, culture and art, public health, sports, tourism, and international statistics.

Although a limited edition has been issued immediately by the State Committee for Statistics and will be expanded soon by the Agriculture Ministry, it is expected to be printed by one of the publishing houses of the Culture Ministry and to be on sale in all bookstores.

The chief of statistics took this opportunity to announce that the automated data bank of the Soviet-made EC 1061 computer is already in the experimental phase. Use of the computer began 2 months ago at the National Calculation Center.

Fidel Vascos also reported that the Intersectorial Relations Report (BRIE) for 1986 has already been approved by the Council of Ministers. This report amounts to an economic census that covers all of the country's production and its relationship to the development of the national economy.

Finally, the minister-chairman of the CEE announced that in early 1987 a national physical inventory of rotational units will be conducted to determine in detail the status of 400 products linked especially to imports. This survey will involve a physical counting of stocks in warehouses in order to determine the inventories in the possession of the enterprises.

FAR REGIMENT, OTHERS AIDING IN HAVANA TELEPHONE REPAIRS

Havana GRANMA in Spanish 4 Nov 86 p 4

[Article by Jose Antonio Roche]

[Text] To solve the telephone problem in the city of Havana, the Communications Ministry is developing a Support Operation to shore up the capital telephone network. Under this program, brigades from other provinces and a regiment of the Revolutionary Armed Forces (FAR), in addition to the workers of the Havana City Communications Enterprise, are working on the networks of the Inside and Outside Plants.

When the Support Operation began, nearly 6,000 telephones were out of order, 60 percent due to broken wires. Because of its technical complexity, this problem is considered the most difficult to solve in telephony. It is also the most common problem in the capital because of the age of the networks.

At this time there are 3,286 broken telephones. Of the 133 wires that were broken in September, only 40 remain to be repaired.

Communications workers in the capital have installed 200 new public pay phones, 53 of them for the direct dialing call service. This will streamline interprovincial telephone traffic. Some have been installed in batteries of more than five telephones in central locations.

The present situation is explained by the fact that no major investments had been made in Havana for over 20 years. Work is also being done on the replacement of wires in the networks and in supplying air pressure, an important technical element for their protection. So far more than 500 km of wiring has been replaced, and this will serve to expand the lines.

Manuel Castillo Rabassa, minister of communications, exhorted communications workers in the capital to seek faster ways to solve these problems and to improve organization.

8926

CSO: 3248/108

POWER OUTAGES CAUSED BY BREAKDOWNS, CONSTRUCTION DELAYS

Havana GRANMA in Spanish 7 Nov 86 p 3

[Article by Joaquin Oramas]

[Text] Breakdowns of units and lines and delays in the construction of thermoelectric power plants in East Havana and Matanzas are the principal causes of the imbalances between the generation of electricity and the demand for this fundamental source of energy. As a result, power outages and interruptions in service during the day have become more frequent recently.

This assertion was made by Rodrigo Ortiz, vice-minister of basic industry, in a speech to the workers of the Havana Transmission and Distribution Enterprise. The workers were gathered at an assembly to approve a campaign to recycle transformers and other elements in the national electricity system that require the expenditure of foreign exchange.

Ortiz stated that conservation of this fundamental energy source by residential consumers and state and private consumers alike must be enforced more strictly.

After noting that it is in the nation's capital that this adverse situation is most evident, he explained that in the last 4 years no new generating unit has been incorporated into the electricity network. The last new unit was Block 8 of the Maximo Gomez plant in Mariel, which was connected to the electricity system in 1982.

Meanwhile, as a result of the natural development of the country, the electrical load has increased considerably. This is reflected in the fact that in 1982 the maximum demand on the system was 1,673.2 mw, while in 1986 that figure rose to 2,063.2 mw.

An effort has been made to offset this shortfall by transferring electricity from the eastern part of the island, which causes problems because of voltage considerations.

He recalled the breakdowns that have occurred on the 220-kw and 110-kw lines and in some generating units. Naturally, if these breakdowns happen when there is a shortage of power generation, the problem is worse, he argued.

In his explanation, he also went into detail about the phenomenon known as "valley." Traditionally, our electricity system showed "valleys" on the operational graph, which meant that the highest demand for electricity occurred at certain hours of the morning and at night (from 1800 to 2200 hours). During the rest of the day, demand was lower, and it was particularly low during the early hours of the morning.

Now, however, the difference in demand between the daytime and nighttime peaks and the valley has shrunk, primarily because during the latter hours more electricity has been used, while usage has also gone up during the former hours. As a result, unprecedented highs are being reached in the demand for electricity.

These changes had been taken into account when the development of the electricity network was planned, but the key projects for guaranteeing the supply of electricity are seriously behind schedule, stated Ortiz. Thus, at the East Havana thermoelectric plant, which was supposed to have three 100-mw units on line by now, the first unit may come on line by the end of next year. At the 330-mw plant in Matanzas, civil construction and assembly work are also behind schedule.

Ortiz emphasized that although our country is having well-known difficulties with fuel, this has not been the cause of the shortages in the national electricity network.

He added that these factors are compounded by deficiencies that must be combatted more rigorously in the plants and in the maintenance of lines and substations. If a line is interrupted, repair work must be done morning, noon and night until service is restored, he asserted. He had words of praise for the maintenance workers at electricity plants, and issued a call for their dynamic and efficient style of working to be expanded to the entire electricity-generating network.

He mentioned the problems involved in the consumption of reagents, particularly in Havana, which is causing reductions in voltage. He cited the example of the losses caused in the bar of the Otto Parellada Plant (Tallapiedra), which supplies between 120 and 130 mw to the capital. It has been proposed that a bank of capacitors be installed there to alleviate the situation.

Finally, he reiterated the need to increase the efficiency of operations and maintenance to a maximum throughout the entire electricity-generating system, to reduce the inputs needed by the generating plants, to cut losses on transmission and distribution lines, and to increase the conservation and rational use of electricity in homes as well as centers of production and services and other areas of consumption.

8926

CSO: 3248/108

FORESTRY BRIGADE ACTIVITIES IN ANGOLA DESCRIBED

Havana GRANMA in Spanish 20 Oct 86 p 5

[Article by Raisa Pages; passages enclosed in slantlines printed in boldface]

[Text] In a humid and dense jungle, rising to the challenge of climatic adversities with a great deal of sacrifice, and inspired by the principles of internationalism and a desire to contribute to the economy of two brother nations, the /Arnaldo Milian Castro/ 2nd Forestry Contingent is carrying out its tasks in Mayombe, Angola.

This is the third lumbering campaign that Cuban forestry internationalists have carried out in this Angolan territory. The first contingent worked here in 1984 and 1985, and in each of those years it produced over 100,000 cubic meters of lumber.

That first group endured intensive, exhausting workdays for 2 years to meet ambitious plans during a short period of time; these jungles can only be entered during the so-called dry season (for that part of the African continent it occurs between June and October), because when the rains come, it is impossible to continue the timbering operations.

It has been 2 years since the productive feat which was marked on 25 October 1984 with a record 100,884 cubic meters of lumber in just 5 months. Fidel congratulated the contingent for its success and sent a message stating: "The /Arnaldo Milian Castro/ Forestry Contingent has set an example of selfless and efficient work, with a profound revolutionary and internationalist conscience, the pride of our people."

The current members of the contingent (the second that has been formed to do the work of the 1986 and 1987 campaigns) comprise 530 forestry workers, including four women. They were grouped according to a superior concept of the organization of labor which will enable this internationalist force to carry out a more comprehensive and wide-ranging effort, during this campaign and in future ones.

Three integral production brigades were formed to be in charge of timbering and logging, cutting the logs into smaller pieces, and transporting them to the so-called /all-weather loading platforms,/ which are simply places where

the material can be picked up at any time of the year, regardless of the rains. Another brigade will be responsible for building roads up into the mountains so that the logs can be brought out, and another collective will bring the processed product from the loading platforms to the ports of Angola.

This organization ensures that the Cuban internationalists will deliver the finished product. For this campaign that is finishing up now in October, each of the three production brigades has a delivery plan of 20,000 cubic meters of lumber for an effective period of 100 days. The contingent's overall plan calls for 60,000 cubic meters, which means that the planned total for each brigade is the same.

Actually, however, this 100-day period was shortened because this second contingent had to transport the lumber stored during the 1985 campaign when it arrived in Mayombe. Therefore, activities have had to be carried out simultaneously (meeting the 1986 logging and hauling goals while also bringing out the 1985 lumber).

The expansion of the contingent's tasks has required an extraordinary effort, and the quotas are being met at an average rate of 110 percent.

Good news is expected very soon from the forestry workers of Mayombe. They are hard at work in the Angolan jungle to meet their yearly plan in less than the stipulated time. They are putting in long, hard days, and the hills of that mass of precious hardwood trees will always echo with the sounds of Cubans striving to set an example and give their utmost in places far from their homeland.

8926

CSO: 3248/107

BRIEFS

SOVIET NUCLEAR SAFETY TEAM VISITS--Pursuant to an agreement signed by the governments of Cuba and the Soviet Union, between 12 and 21 October a delegation from the state supervisory agencies in charge of safety at nuclear facilities in that country visited Cuba. G. E. Moslov, vice-chairman of the USSR State Committee for Safety in Atomic Energy Projects, headed the delegation. During its stay in our country, the Soviet delegation met with leaders and officials of the respective Cuban organizations in this field. The visitors also saw how work is progressing on Blocks 1 and 2 of the Juragua nuclear power plant, which is under construction. There they exchanged views with Cuban specialists and Soviet technical assistants. In this dialogue the various participants verified the strict safety measures that are being followed in this project, and the quality control in the construction of the power plant. At the end of the visit, a protocol was signed to expand cooperation between the two countries in this field. Alberto Rosabal, vice-secretary of the Executive Secretariat for Nuclear Affairs, signed the document on behalf of Cuba, and G. E. Moslov did so for the Soviet Union. The document was signed in the presence of Marcos Portal, minister of basic industry and member of the Central Committee of the Communist Party of Cuba; Fidel Castro Diaz Balart, executive secretary of the Cuban Atomic Energy Commission; and vice-ministers and other guests. [Text] [Havana GRANMA in Spanish 22 Oct 86 p 3] 8926

INDUSTRIAL FIRES DISCUSSED--Havana--Negligence is the principal cause of industrial fires in the province of Havana, it was stated here yesterday at the 1st Fire Protection Event, where representatives of enterprises and establishments in the territory examined the problems that cause these accidents. A report presented and discussed at the plenary session states that of the 188 fires that occurred during the 1981-85 5-year period, 144 were due to negligence. Although 15 fires took place in the first half of 1986, 7 less than during the same period of 1985, the losses totaled 400,871 pesos. The document criticizes the lack of fire detection and extinguishment systems at workplaces or the failure to maintain existing systems, the overcrowding of warehouses or the placement of goods in inappropriate areas, the lack of preparation of volunteer firemen, and the use of firefighting equipment for other purposes. [Text] [Havana GRANMA in Spanish 17 Oct 86 p 3] 8926

CSO: 3248/107

NATIONAL CREDIT BANK REPORTS ON ASSETS, LIABILITIES

Santo Domingo LISTIN DIARIO in Spanish 6 Nov 86 p 1-D

[Text] By the third quarter of the year, the total assets of the National Credit Bank (BNC) amounted to 146.8 million pesos, an increase of 40.9 million (39 percent) since the previous quarter. This was revealed in a report released to the press by that entity on the occasion of its fifth anniversary.

This growth is higher than that recorded between the first and second quarters of the year, which amounted to 23 percent.

Moreover, the growth rate of the BNC's assets was the highest of all commercial banks with assets exceeding 100 million pesos.

In addition, total assets reached 41.7 million pesos, a 20-percent climb, while in the previous period it had been just 6 percent.

The combined total of the assets of the BNC and the National Development Bank (BND) is 194.5 million pesos, which represents an increase of 49 million (34 percent) over the previous quarter's figure.

The increase in the BNC's loan portfolio by 32.4 million pesos, a growth rate of 59 percent, was the main factor in the expansion of assets. In this category as well, the bank reports the most impressive growth rate of all commercial banks in the country as of 30 September.

The growth of the portfolio was caused by an increase in the loans extended to the export, commerce, and industry sectors. Specifically, export loans rose from 2.4 million to 7 million pesos (192 percent), industrial loans from 16 million to 25.2 million pesos (86 percent), and agriculture-livestock loans expanded by 11 percent. This shows that the BNC's interest lies in investing its deposit funds in the country's production sectors.

The loan portfolio rose from 31.5 million to 33.1 million pesos, a 5-percent growth rate.

Liabilities totaled 146.8 million pesos, a 39-percent climb, because deposits were 49 percent higher. Demand deposits amounted to 33.1 million pesos and savings accounts 34.5 million pesos, reporting respective increases of 48 and

36 percent. Time deposits, on the other hand, went from 32.6 million to 49.1 million pesos, a 55-percent jump.

The share of the various types of deposits within the overall portfolio remained practically the same.

According to the report, time deposits are still the principal source of funds for the bank, given that they account for 42 percent of the total. The second-largest source is savings accounts, which represent 30 percent; in last place are demand deposits, which represent 28 percent.

The report also emphasizes the significance of the share of time deposits and savings accounts in the portfolio because they are very stable sources of funds, and they therefore contribute to the stability of the portfolio.

It cites other major liabilities, such as demand liabilities, which amounted to 4.6 million pesos, compared to 2.3 million the previous quarter.

The most important change in the BND's liabilities was the 64-percent rise in short-term obligations.

As for capital, the report states that it rose by 2.2 million pesos, equivalent to 16 percent, over the previous quarter's total. The capital of the BND rose by 6 percent, from 5.7 million to 6.1 million pesos.

"The quarter that ended on 30 September of this year was very favorable for the National Credit Bank. The constant growth of deposits, as a result of an energetic promotional campaign, provided the necessary funds for considerable growth of the credit portfolio, and therefore assets. It is also important to stress that the utilization of deposited funds was so efficient that the loan portfolio ratio reached 74 percent," says the report.

With the increase in its loan portfolio, the National Credit Bank becomes the sixth-largest bank in the country, given the size of its portfolio and the amount of its assets in the ninth [month].

The quarter in question was also very important for the National Development Bank, since its expanded loan portfolio and assets made it the third-largest development bank in the country, both because of the volume of its portfolio and because of its assets.

8926

CSO: 3248/89

CENTRAL BANK REPORTS ON FOREIGN PAYMENTS

Santo Domingo LISTIN DIARIO in Spanish 14 Nov 86 pp 1, 14

[Article by Jose Romero]

[Text] The Central Bank reported that as of yesterday it had made outlays of US \$170 million abroad since Dr Joaquin Balaguer took office.

According to the bank, \$104.6 million of that consisted of service on the public foreign debt, and \$51.5 million was paid for oil and petroleum derivatives.

The bank also made other outlays, \$4.4 million for food and \$9.5 million for "other imported goods and services."

The Central Bank reported that the funds received from the Reagan Plan and those from the initial phase of the Industrial Reactivation Plan (PRI) were not included in these expenditures. Special accounts were not included, either.

On the other hand, a source at the bank claimed not to have any knowledge that a mission from the International Monetary Fund will visit soon to begin talks on the new agreements with the Dominican Government. "This is the first we have heard of it," said the source when asked about press reports to that effect.

The source stated that these payments were reviewed yesterday during a session of the Monetary Board.

He added that the Central Bank is considered to have made an extraordinary achievement in keeping the country up to date on its minimal international commitments.

"This indicates that a tremendous effort has been made, paying with enormous austerity and an attitude of respect for the traditional image of a reliable payer," added the source.

He also noted that the amount of outlays "is very close to the real amount the country can afford to pay, and was the maximum indicated for the last quarter of the year."

"Thus, this is a good indication that we have paid to the best of our ability, and that this sum was the real sum we said we could pay," added the source.

For the coming year, the country's debt service amounts to \$1.05 billion, but the bank believes that the Dominican Republic can really only afford half that figure.

For the year that is drawing to a close, the country was supposed to pay nearly \$850 million, but it actually paid about \$500 million.

8926

CSO: 3248/89

BLAIZE AIDES CAPTURE KEY POSTS IN NNP ELECTIONS

Port-of-Spain TRINIDAD GUARDIAN in English 8 Dec 86 p 5

[Text]

ST GEORGE'S, Dec 7, Cana—PRIME MINISTER Herbert Blaize last night strengthened his grip on Grenada's ruling New National Party (NNP), with his close aides capturing two key posts.

The elections took place against what insiders said was a background of manoeuvring by Agriculture Minister George Brizan and Labour Minister Dr Francis Alexis to give their parties a better standing in the three-party NNP.

Mr Blaize's close aide, External Affairs Minister Ben Jones, won the number two position in the party from Mr Brizan while Public Utilities Minister Dr Keith Mitchell beat back a challenge from Senator Jerome Joseph for the post of general secretary.

Mr Jones, in replacing Dr Alexis who did not seek reelection as Deputy Political Leader, polled 212 votes to Mr Brizan's 126 while Dr Mitchell collected 217 votes to Senator Joseph's 117.

Mr Blaize was re-elected unopposed as party leader for another year while Senator Larry Joseph was elected as the new party chairman.

People's Support

Mr Jones told Cana that his victory was a reflection of the people's support

for his brand of politics, which is based on democracy, freedom, and the rule of law.

Dr Mitchell who has been under severe attack from the Alexis-Brizan camp over alleged wrong-doing in his ministry, said the result indicated clearly that Mr Blaize emerged victorious over his rivals.

But he said the party needed to deal urgently with issues such as its own unity and restless civil servants.

He also said that reports of a split between himself and Dr Alexis have been blown out of proportions since the only problem is that they had differed in the past on some specific issues such as the dismissal of Junior Minister Kenny Lalsingh earlier this year.

"I believe that Dr Alexis can do a lot to help this country, and NNP needs a Brizan because he has a lot of mass support," he remarked.

"I honestly hope that this is an opportunity to unite all of us in the party. We need to talk about how we can move the country forward again," he added.

The party convention ends today with a public rally to be addressed by Dominica Prime Minister Eugenia Charles.

/9274

CSO: 3298/066

RIFTS IN NNP MAY GIVE GAIRY OPENING FOR COMEBACK

Port-of-Spain TRINIDAD GUARDIAN in English 16 Dec 86 p 12

[Text]

ST. GEORGE'S, Dec.15, AP — SIR Eric Gairy, the eccentric and authoritarian Prime Minister who was ousted by a leftist coup eight years ago, is planning a comeback, and rifts within the ruling New National Party may provide him an opening.

"Decisions can't be made because there is no unity in the Government," Sir Eric, 64, said in an interview, "Every man is greedy and selfish and interested only in what he can get for himself, politically and financially."

"I expect them (the ruling party) to fold before June," he said in an interview with the Associated Press.

Elections aren't scheduled until 1989, but the ruling party — a coalition of three groups that formed, with US prodding, four months before the December 1984 elections — may not hold together that long.

The leaders of the smaller parties, Dr Francis Alexis of the former Grenada Democratic Movement and George Brizan of the former National Democratic Party, have pressed Prime Minister Herbert Blaize for more authority, and he has turned them down.

Dr Alexis, the Labour Minister and Deputy leader, asked Mr Blaize earlier this year to be named acting Prime Minister when Mr Blaize was off the island. Mr Blaize chose instead to give that responsibility to Foreign Minister Ben Jones, a colleague from the former Grenada National Party.

Imitation

At the NNP convention this month, Mr Jones was elected Deputy party leader over Mr Brizan to replace Dr Alexis, a turn of events that irritated the latter two.

Dr Alexis threatened to resign last September and he and Mr Brizan since have issued veiled criticism of Mr Blaize, who despite a reputation for high-handedness, remains very popular with Grenadians.

"When decisions are going to be taken about the future of the country, it must be understood it is not a matter of one man getting up in the morning and deciding to smash up the place," Dr Alexis said recently.

The infighting comes at a time when international aid, mostly from the United States, is drying up; the national budget is in deficit; the Government is trying to reschedule foreign debt repayments; an unpopular value added tax has been introduced and one in five Grenadians is out of work.

Teething Pains

Another potential cause for concern is Mr Blaize's health. The 68-year-old Prime Minister has a

prostate problem, he said, that requires radiation treatment twice a year, which he receives in the United States.

Mr Blaize, the Prime Minister from 1962-67 and a clear favourite of the Reagan Administration, dismisses reports of rifts and dissension within the ruling party as "teething pains."

"We took on the pressures of Government at the same time as we were trying to build the party," Mr Blaize said in an interview with the Associated Press.

Meanwhile Sir Eric Gairy has been holding rallies for his Grenada United Labour Party, which he founded in 1950 and which has been the springboard for his political success. Already he has readied a slate of candidates in the event early elections are held.

Grenada's quirky Head-of-State for 12 years before the coup, Sir Eric seemed washed up when he was ousted by Maurice Bishop and the leftist New Jewel Movement in February 1979. The United States gave him refuge, but quickly recognised the new regime, as did Britain and neighbouring Caribbean Governments.

After Bishop's assassination in October 1983 by radical members of his own Movement, and the subsequent US invasion, Sir Eric returned home. He did not seek a seat in Parliament, but he campaigned for Gulp candidates and the party carried 36 per cent of the vote.

He tells supporters now he is a different man from cricket-playing, woman-chasing "Uncle Gairy" they grew to love when Grenada was a British

colony, then an associated State and finally a sovereign country.

"You can't name a cricket field in Grenada that I haven't played on. I played tennis five times a week," he said at a recent rally. However, "in the five years (of US asylum in southern California), I made a significant change in my lifestyle ... and behavioral patterns."

At his spacious but sparsely furnished home overlooking St. George's harbor, Sir Eric continued: "I have made changes in myself. Sports and dancing and sex and girls — I don't need them, now."

His assessment notwithstanding, a lot remains of the Prime Minister who urged the United Nations to investigate the phenomenon of unidentified flying objects, who accepted an invitation to judge a Miss World beauty contest, who spent public money as if it were his own and is thought to have practised voodoo.

Sir Eric credits his rising political fortunes to "divine essences," and Bishop's downfall to divine retribution. He talks in mystical terms of the power of love and personal magnetism. He dismisses criticism of his past activities as "pretty jealousy."

His party would have won the 1984 elections, he said, if ballots had not been chemically treated beforehand to erase the marks made by Grenadians and replace them with prefabricated marks in favour of the NNP.

To this day, Sir Gairy denies he had anything to do with the "mongoose gang" of thugs that ran roughshod over his political opponents.

/9274

CSO: 3298/066

BANK REPORTS MIXED ECONOMIC RECORD FOR FIRST HALF OF 1986

Port-of-Spain DAILY EXPRESS in English 12 Dec 86 p 41

[Text]

(CANA) — Grenada's economy, projected to grow by 4.5% this year compared with a three improvement in 1985, had a mixed performance in the first half of the year, according to the Eastern Caribbean Central Bank (ECCB).

The bank said in its latest economic and financial review: "Production of three of the four major agricultural commodities increased while on balance industrial production geared towards domestic consumption declined.

"However, there was a substantial increase in activity in the tourism sector."

The production of bananas which has experienced a downward trend in recent years expanded by 108 tonnes (2.6%) to 4,235 tonnes during the review period.

Nutmegs and its by-product Mace expanded by 299 tonnes (27%) and 58 tonnes (56%) respectively to 1,398 tonnes and 162 tonnes. Production of the major export crop, cocoa, declined by 314 tonnes (20%) to 1,273 tonnes.

However, the volume of fresh fruits exported declined by 555 tonnes

(26%) to 1,571 tonnes during the first three months of the year.

Significant increases were recorded in the production of edible oil, rum and soft drinks as output rose by 13.6%, 11.4% and 10.3% respectively.

The volume of soap, malt and stout produced was 30%, 13% and 13% respectively below their 1985 levels.

The rate of inflation as measured by the retail price index (RPI) rose to 1.4% during the first half of 1986 as compared to one in the corresponding period last year.

Significant increases were recorded in the sub-indices of furniture and domestic appliances (20.7%), and alcohol and tobacco (13.5%).

Fuel and light, and transport and communications declined by 11.4% and nine respectively, mainly as a result of the reduction in the retail price of kerosene and gasoline.

Following a 0.1% decline in 1985, the sub-index of food and beverages rose by 1.8% while that of clothing and footwear which had recorded the highest increase (5%) in 1985 fell by 2.9%.

/9274

CSO: 3298/066

UNEXPECTED TESTIMONY GIVEN BY KEY DURAZO CASE WITNESS

Mexico City EXCELSIOR in Spanish 13 Nov 86 pp 4-A, 37-A

[Article by Rafael Medina Cruz; for related reporting, see JPRS LATIN AMERICA REPORT of 12 November 1986 (JPRS-LAM-86-106), pp 96-101.]

[Text] Juan Miranda Collado, the Public Ministry prosecutor assigned to the 26th Penal Court, rose to his feet in indignation and shouted: "This is no good! . . . My witness, who was jailed by Durazo, who was sent to the mounted police, to the 'granaderos' [a Federal district General Secretariat for Safety and Roadways police unit responsible for control of crowds and demonstrations], to the box seats in Hidalgo, now instead of receiving threats has received nothing but hugs and congratulations!"

Fernando Medina Morales, a colonel in the former General Directorate of Police and Traffic (DGPT), and sworn enemy of the former police chief when he sent him to jail, was considered to be the most important witness to testify against Durazo Moreno. But yesterday, when he appeared in court before Judge Maria de Jesus Medel Diaz, he was quite different. He was not the same man whom Miranda Collado "showed off" to the press when he crowed: "Just wait and see what my witness says."

It was 1030 hours when the judge began the proceedings. It was expected that for the second time during the trial of the accused, the "witness" would hurl serious accusations at "Blackie Durazo." Such was not the case. Medina Morales, who had been degraded by his former boss and humiliated by being thrown in jail, the victim of power that sent him to prison because of his friendship with the former chief justice of the Superior Court of Justice, Salvador Martinez Rojas, did not state what everyone expected.

"I never," he said, not removing his gaze from Durazo and his attorneys, "received any threats or demands for money. If I was imprisoned and was changed from one job to another on several occasions, it was because of the intrigue of Jose Gonzalez Gonzalez."

According to Jose Gonzalez Gonzalez' testimony when he appeared to in the 26th Penal Court, Medina Morales was removed from his post as area chief of the Benito Juarez Delegation and sent to the mounted regiment "for failing to pay the dues demanded by Durazo," and after a subsequent investigation was accused

and remanded for fraud, threats, and injustice. Medina Morales said, however, that all he received from his "former boss" was "consideration."

"'Mi general' gave me recognition," he emphasized, "and even awarded me a medal for being the best area chief in my time."

A Witness Who "Won't Back Down"

Juan Miranda Collado, sitting to one side of Medina Morales, shook his head. He kept running his hands through his hair, tugging at it in disbelief. He glanced out of the corner of his eye at the reporters, the newspaper and television cameras. Shortly before, only minutes earlier, he had told them, "just wait and see what is going to happen. My witness is from Arcelia, Guerrero, where they never back down."

The former colonel, however, appeared to know exactly what he was doing as he calmly answered the questions posed to him by the reddening Juan Miranda Collado and the court reporter took down his words.

The witness, who appeared as a result of a motion filed by the prosecution (the Public Ministry), actually seemed to have been invited by the defense. Juan Velazquez, the common representative of Durazo Moreno's attorneys, smiled maliciously and mockingly at the reporters.

Instead of eliciting responses that provided evidence of Durazo's conduct, the examination by the deputy of the Federal District Attorney General's Office (PGJDF) ended up helping the defendant.

"Why were you changed from area chief to the mounted regiment, and from there to the 'granaderos'?" asked Miranda Collado.

"For service reasons. That was ordered by 'mi general' so that mafias would not be formed. He did not want vested interests to develop in the sectors with the restaurants, merchants, bankers, with people in the area. That is why he ordered me transferred."

And one after another, Miranda Collado's questions, which were intended to bring out something against Durazo Moreno, ended up favoring his conduct.

In fact, documents and photographs were introduced which Medina Morales and Durazo's defense attorneys used to show the "good will and humane attitude at the head of the police" displayed by the man who is now being prosecuted for carrying out threats.

The trial was interrupted momentarily by Judge Maria de Jesus Medel Diaz at 1130 hours when documents were revealed in which Medina Morales congratulated Durazo Moreno one time for being the best police chief Mexico City had ever had.

Durazo's Philanthropy

Also displayed and attached to the file were 19 photographs showing 1,800 children enjoying a free breakfast at a school in the Benito Juarez Delegation, thanks to Durazo Moreno.

Former Col Medina Morales, who was also held for 6 months at the same jail where Durazo Moreno is now in custody, denied repeatedly that he had been turned in by his former boss.

"It was due to the intrigue of Gonzalez Gonzalez. Durazo even gave me two attorneys to handle my case."

Judge Maria de Jesus Medel Diaz listened attentively to Medina Morales' testimony, and then ordered that it be transcribed into the file.

At 1200 the proceeding was adjourned, but this time Durazo Moreno did not immediately leave his cubicle, which is surrounded by protective bars and thick glass.

"Arturo Juan Velazquez, he's talking about you. He wants to talk to all of you. Wait for him to sign," the defense attorney told the reporters.

Good Old Days

With an extremely hoarse voice, Durazo Moreno talked to the media just like in the good old days. He said:

"You know that I have never spoken out. Now I am doing so, because I want to tell you that I respect the decisions of the judges. I abide by the law. I respect it. But I must tell you that just as you publish an 8-column story when the witnesses malign me, now you must publish what this witness, who was presented by the Public Ministry that is accusing me, has stated so honestly. Like a man."

And then he assailed the only person who has remained steadfast in the accusations he made in court: Jose Gonzalez Gonzalez.

"I think it has already been proven that this Gonzalez is a mythomaniac, a liar, a disgusting drunk, a drug addict. He is the one who should be in the pamphlets, not me. You already heard what Medina Morales said about me."

The former police chief was interrupted by a reporter asking why, then, was he in jail and the Parthenon and the house at Ajusco impounded.

"I do not know," he answered.

[Question] Is your trial unfair?

[Answer] I have always maintained that it is.

[Question] Who are your enemies?

[Answer] I have no enemies. The ones involved in this are small fry. The big enemy is the one who comes up to you in the street and shoots you.

Then he claimed to have proof that the witnesses who testified against him, a few "minor officials," were pressured, threatened, and beaten. "If you want, I'll show you the certificates from the doctors who verified it."

According to Durazo Moreno, "everything that is said about me is exaggerated," and he said that this will come out in the trial.

Finally, he stated that he expects to get out of jail. "I have a family, I have children. Or what do you want, for me to spend my whole life here?"

Back in his office, Juan Collado Mirando kept repeating to whoever asked him about what had happened to the "witness" Medina Morales in court: "He sold out . . . he sold out. There's no other explanation. All these people are out after money, and you saw it, he sold himself to Durazo. He was my witness. It's incredible, he looked like a defense witness. But we are going to investigate this."

8926

CSO: 3248/86

26 PERCENT OF TAX REVENUES SAID TO GO UNCOLLECTED

Mexico City LA JORNADA in Spanish 19 Nov 86 pp 1, 16

[Article by Lourdes Galaz]

[Text] At least 8 million Mexicans who work and receive income do not pay taxes, says the Labor and Social Security Secretariat (STPS). Thousands of businessmen, industrialists, and merchants evade taxes, the Employers Confederation of the Mexican Republic (COPARMEX) admits publicly. The Secretariat of Finance and Public Credit (SHCP) contends that the loss in income tax (ISR) revenues will be the equivalent of 1.8 percent of the GDP this year, as compared to 1982. Private sector investors estimate that the underground economy, which protects evaders, accounts for 35 percent of the national product and represents a loss of 26 percent of all tax revenues to the treasury, it was stated on the eve of the appearance of Gustavo Petricioli.

The economic crisis has aggravated tax evasion in Mexico, and has forced businesses to finance themselves through taxes. At the same time, the underground economy has skyrocketed, and there millions of Mexicans earn incomes which they do not report to the treasury, admits the Secretariat of Finance in confidential documents.

University researchers believe that "if the economic crisis has not resulted in a social explosion, it is because the ingenious Mexican has been able to invent means of surviving so that he will not starve to death and he can live immersed in the so-called underground economy."

Analysts at the Private Sector Center for Economic Studies (CEESP) state that the underground economy has entailed losses of 26 percent for the treasury. The president of COPARMEX, Bernardo Ardavin Mignoni, argued that this type of economy has raised the value of the national product by more than 35 percent. He did not mince words when he stated: "Thousands of industrialists, businessmen, and merchants are evading taxation. They do not make their payments to the Institute of the National Fund for Workers Housing (INFONAVIT) or to Social Security, nor do they meet their other obligations," such as the payment of professional wages to their workers.

At the mere announcement of tax reform, business leaders prepare exhaustive studies on the underground economy to prove to the government that the fall in revenues is due to "the excessive tax burden, to regulations and official prohibitions, and to bureaucratic corruption."

The government responded with the announcement of a National Crusade Against Evasion, which will be explained today by Finance.

8926

CSO: 3248/86

COMERCIO ON BRAZIL'S ZANJA NORTE PLAN

Lima EL COMERCIO in Spanish 3 Nov 86 p A-2

[Text] Brazil has just announced that its Foreign Ministry has decided to implement a vast plan for the economic and military occupation of its borders. The program will last about 4 years and will cover 45 percent of that country's territory.

It is very important to bear in mind that Brazil's extensive borders are contiguous with no less than six countries; one of those borders, the longest of all, is the eastern edge of our country.

Among the reasons cited by Itimaraty for implementing such a vast and simultaneous plan of action on an emergency basis is the possibility of border conflicts between Brazil's neighbors, and the fear that such clashes would lead to antagonism among the powers.

The Brazilian Foreign Ministry claims to be cognizant of the current situation in the Caribbean Basin, and contends that Brazil's multifaceted concern has to do with "national security, drug trafficking, guerrilla warfare, and the smuggling of gold and other items."

However, one point in this explanation of the measures to be taken under the plan, which has been dubbed "Zanja Norte," is not very clear and is even contradictory: the indispensable participation of the bordering countries (Peru, Colombia, Venezuela, Guyana, French Guiana, and Surinam). The Brazilian Foreign Ministry has appealed to them to cooperate, even though it also admits that it has proceeded so far without consulting them in the least.

This is a delicate point, then, which has a direct effect on one of our most extensive and least developed regions. This is especially so if, as expected, the Zanja Norte project has the practical result of preventing the demarcation of some Indian lands, such as those corresponding to the Tikuna tribe in our case.

8926

CSO: 3348/126

ANNIVERSARY OF PRC DIPLOMATIC RELATIONS MARKED

Lima EL COMERCIO in Spanish 2 Nov 86 p A-5

[Text] Peru and the People's Republic of China will hold a variety of events simultaneously in Lima and Peking to celebrate the 15th anniversary of the date when they decided to establish diplomatic relations. The two governments expect to sign a cultural agreement during these commemorative events.

On 2 November 1971, Peru and the PRC initiated a close relationship that is rooted in the two nations' histories, according to the Peruvian Foreign Ministry.

From that date on, Peru and the PRC shared various interests in the commercial, technical, and cultural fields, and these interests have translated into important cooperation projects aimed at achieving the potential of each nation.

These projects, says our Foreign Ministry, received a considerable boost recently as a result of the visit by the president of the Council of Ministers and minister of the economy, Luis Alva Castro, to the PRC last June at the invitation of the prime minister of that nation.

In addition to the signing of the cultural agreement, the Peruvian Embassy in Peking will publish a magazine that will illustrate all the features of Peru.

The foreign ministries of the two countries have coordinated the presentation of simultaneous events in Lima and Peking, with the attendance of high-ranking officials in both cases.

8926

CSO: 3348/126

REPORTS ON CHANGES, CORRUPTION IN PRISON SYSTEM

New Lurigancho Director

Lima EL NACIONAL in Spanish 1 Nov 86 p 8

[Text] The first action of the new director of San Pedro Prison (formerly Lurigancho), Dr Raul Pineda Paredes, was to conduct a census of the inmates in that penitentiary yesterday.

The survey initiated by the new prison director was carried out by 150 employees of the prison itself, and 50 others of the National Penitentiary Institute (INPE) central office. They proceeded to conduct the census of the inmates, and then to compare the figures with the rolls recording admittances to the prison.

This is an unprecedented measure, not taken by any other INPE official who has directed the prison. It should be noted that Dr Pineda did not sign the respective appointment document until the head-count of the prisoners began.

The survey of inmates at San Pedro Prison was conducted in the presence of the trial judge on duty at the time, Dr Julio Velarde Moreno, and the penal execution judge of Lurigancho, Dr Miguel Estrada Choque.

Dr Pineda is replacing Wilmer Lazarte Lescano in the post; the latter was dismissed after being accused of being an accomplice in the escape of dangerous criminals.

Lurigancho Inmate Escapes, Releases

Lima EL COMERCIO in Spanish 4 Nov 86 p A-1

[Text] As INPE discovered that 88 inmates were missing from Lurigancho Prison after conducting a census of the population, judicial authorities revoked the work furlough privilege that had been granted to 435 inmates in the Iquitos and Huanuco Prisons.

The president of the National Penitentiary Institute, Oscar Mejia Quiroz, stated yesterday that the head-count at Lurigancho was conducted last Friday,

and revealed a total of 4,163 prisoners. This meant that 88 inmates who were serving sentences for various crimes had disappeared.

Both the Justice Ministry and the judiciary, in conjunction with the National Penitentiary Institute, alerted police throughout the country so that they could recapture these prisoners immediately.

"We cannot say that all of them escaped, because it may be that some of them are out on furlough or are in the hospital," asserted Mejia.

13 Hours

The census took 13 hours, and it was conducted with the help of Dr Raul Moreno Osorio, of the 24th District Attorney's Office, and five assistant attorneys. In addition, Francisco Neyra Montoya, director general of the Inspectorate, was present as well.

As for the inmates whose work furlough has been revoked (235 in Iquitos Jail and 200 in Huanuco Prison), the president of the INPE indicated that they did not spend the night in their assigned furlough houses, and their whereabouts were unknown.

He explained that in the case of Iquitos, of a total of 240 prisoners who enjoyed this privilege, only 5 reported in every night.

Prison System Corruption

Lima EL COMERCIO in Spanish 6 Nov 86 p A-1

[Text] One more indication of the corruption that plagues the National Penitentiary Institute is the fact that in the last 12 months administrative charges have been filed against 170 penitentiary agents, resulting in the dismissal of 80 of them for a variety of crimes.

Many are responsible for the escapes of habitual criminals with records for kidnappings and assaults; they charged between 40,000 and 50,000 intis (40 to 50 million soles), it was learned.

No Trust

The corruption in the prison system has spread to many people, and has become so entrenched that no one can be trusted, even in the Inspectorate and the Security Office.

More than a month ago an Inspectorate commission was instructed to investigate the eight employees of Miguel Castro Castro Prison who prevented the Peruvian Investigative Police (PIP) from capturing Agent Luis Alberto Rodriguez Loayza, who was implicated in escapes.

After a "rigorous investigation," the three members of the commission issued an incredible report exonerating the employees of any administrative

responsibility. Administrative charges have now been filed against the members of the commission for their dubious behavior.

Another Serious Case

Another serious case is that of former Secretary General Victor Salazar Otiniano, who was dismissed for having provided false documents to a drug trafficker so that he could obtain work furlough.

Beginning today, EL COMERCIO will be publishing a series of articles illustrating the current situation in the country's prisons. (More information on page B-16.)

Former Lurigancho Director Punished

Lima EL COMERCIO in Spanish 6 Nov 86 p A-12

[Text] A prison term of 2 years and a fine of 30 days' pay is the minimum sentence that the former director of Lurigancho Prison, Wilder Lazarte Lezcano, could receive if he is found guilty of aiding in the escape of 23 inmates, it was reported yesterday.

If it is proven that the escapees include people accused or convicted of drug trafficking, however, the former director and the other officials implicated in the case could be subject to a term of up to 15 years in prison, said judges who were questioned about this matter.

The 2-year prison term and the fine are provided for in Section 331 of the Penal Code, which defines as a crime against the administration of justice any action by officials, either by omission or commission, which enables inmates to escape.

In general, Section 331 of the Penal Code indicates that "anyone who removes a person from penal pursuit or the execution of a sentence, by hiding him or facilitating his flight or denying (. . .)" is guilty of a crime against the administration of justice.

But Article 66 of Legislative Decree 22095, which compliments the aforementioned Penal Code section, refers specifically to the flight of drug traffickers or their protection from justice, indicating that anyone committing this crime shall be subject to up to 15 years in prison.

These explanations were provided after it was learned that a recent census of inmates at Lurigancho Prison revealed that 23 prisoners being held in that facility had "mysteriously disappeared."

Prison 'Mafia' Dispersed

Lima EL COMERCIO in Spanish 29 Oct 86 p A-1

[Text] More than 40 inmates, including drug traffickers and kidnappers, some of whom had been sent to prison up to six times, are serving time in San Jorge

Prison, which is supposed to be designed solely and exclusively for first-time offenders.

This is due to a series of "special" transfers made without consulting or obtaining authorization from the General Office of Security. Until last week that office was run by Carlos Castro Landaverri, who has now been removed from his post in connection with the irregularities of the Tweddle case.

This aberrant situation was discovered yesterday by the president of the National Penitentiary Institute (INPE), Dr Oscar Mejia Quiroz. He immediately ordered that these inmates be transferred to Lurigancho Prison, where recidivists are incarcerated.

There are more than 40 of these privileged prisoners (most of them drug traffickers) who had been confined at Lurigancho and were gradually transferred to San Jorge at odd hours, commented INPE spokesmen.

Representatives of this institution stated that an exhaustive investigation has been ordered so that those directly responsible for the problem can be singled out. In this way, the mafia that is ordering and executing these irregular transfers can be eliminated.

Drug trafficker Carlos Langberg Melendez has been in a maximum security cell at Miguel Castro Castro Prison in Cantogrande since yesterday. At 1200 hours he left the Judicial Police Holding Jail, and 20 minutes later he arrived at the aforementioned prison. Langberg, as can be seen in the photograph, traveled in a locked cell-van belonging to the National Penitentiary Institute.

INPE Reorganization

Lima EL COMERCIO in Spanish 6 Nov 86 p A-12

[Text] With the implementation of the reorganization and restructuring of the National Penitentiary Institute (INPE), at least 30 to 40 percent of the employees of that entity, who have been implicated in a number of irregularities, will be dismissed from their jobs without administrative hearings.

This was revealed by a high-ranking INPE official, commenting on the Senate's passage of the respective bill.

INPE President Oscar Mejia Quiroz declined to specify the number of employees who will be fired from the institution in the reorganization, but he commented that the corruption in this institution is more serious than he had thought.

"The corruption is extremely alarming in all areas. There is detachment and total immorality. However, I would like to clarify that there are also honest people whom we are retaining and giving appropriate opportunities, because many of them were overlooked," he added.

Referring to Senate passage of the bill to reorganize and restructure the INPE, he pointed out that it is one more stimulus for those who want to work more intensively.

He called upon the deputies "with great respect" to pass the bill in their chamber as soon as possible.

He also noted that this law will allow for a comprehensive evaluation of the entire prison staff, and this will determine which employees have impeccable records and thus should remain on the job.

8926

CS0: 3348/126

AGRICULTURE MINISTER FORESEES SELF-SUFFICIENCY

Lima EL NACIONAL in Spanish 21 Nov 86 p 4

[Text] In the next 5 years, the country will attain self-sufficiency in rice, sugar, corn, and poultry, once the government begins operating the agroindustrial production units in the jungle, announced Agriculture Minister Remigio Morales Bermudez yesterday.

Minister Morales Bermudez stated that these agroindustrial production units in the jungle are expected to grow 60 hectares of rice, 40,000 hectares of corn, and 15 million fowl. In addition, sugar production will reach the level it had attained in our country in 1972.

With these production totals, Peru will be able to supply its own needs for these food products and will no longer have to import them, he emphasized.

He also pointed out that these production units will carry out a social function in the areas where they operate, which will contribute to the development of the peasant and Indian communities of the region.

This is being done, he explained, in accordance with the postulates put forth by President Alan Garcia, who announced that the jungle will become our country's bread basket.

To carry out this ambitious plan, the government is studying the possibility of granting specific exemptions to private investors who want to set up their production facilities in the jungle. It is also looking into the idea of repatriating our foreign exchange from abroad and providing income tax exemptions to businessmen from other sectors who want to reinvest their profits in agroindustry.

This was stated by Minister Remigio Morales Bermudez at a meeting he had yesterday with Cuban Foreign Trade Minister Ricardo Cabrisas and the ambassador from the Socialist Republic of Cuba, Francisco Ramos.

The two ministers, who were accompanied by their advisers, discussed the sugar cane plantings in the jungle. The Cubans have vast knowledge and experience in this area, stated the Peruvian chief of agriculture.

Morales Bermudez stated that Peru and Cuba have been considering the idea of engaging in compensated trade of the agricultural products of our countries, and also the transfer of technology in the areas of livestock and sugar processing. Speaking specifically of the problem of sugar, Minister Morales Bermudez admitted that there is a severe crisis in the Peruvian sugar industry, and that many cooperatives will have to change their planting schedules, "after the necessary studies are conducted."

8926

CSO: 3348/126

BRIEFS

'MARANON' CREW SMUGGLING—Contraband including electrical appliances valued at 400,000 intis (400 million soles) was discovered by customs agents at the Callao Maritime Terminal on board the vessel "Maranon," owned by the Compania Peruana de Vapores. The ship had arrived at our principal port from Asia, bringing light weapons (AK-47 rifles) manufactured in North Korea for the police forces. The illegal goods were found camouflaged in the interior compartments of the vessel early last Friday morning. According to the captain of the ship, the goods were surreptitiously placed on board by crew members without the knowledge of the superior officers on the "Maranon." The shipment includes six refrigerators, six color television sets, 20 bicycles, toys, and clothing. These and other items were found hidden among the machinery and garbage cans. The chief of the Customs Guard of Callao, Cmdr Alberto Saavedra Silva, indicated that the cargo was discovered during a routine inspection early the morning of Friday the 31st, with the participation of the district attorney of Callao, Dr Martin Retamozo. The goods will be turned over to the customs administration and then will be placed in the impoundment warehouse. The appropriate District Attorney's Office will be notified, pursuant to the procedures followed in such cases. [Text] [Lima EL COMERCIO in Spanish 6 Nov 86 p A-12] 8926

PRESIDENTIAL REELECTION BILL--Article 205 of the State Constitution, which prohibits the immediate reelection of the president, cannot be reformed or repealed if a bill introduced in the Senate by the Populist senators passes. Sen Bertha Arroyo de Alva stated that only authoritarian regimes "have a propensity to hang on to power, resorting to the use of the state's resources and influences to perpetuate their hold on the government." She indicated that it is the duty of all parliamentarians who belong to democratic political parties to prevent the success of initiatives aimed at such purposes. They must do so for the good of the democratic system, she noted, which "cost us such a great effort and sacrifice to restore." She explained that her party's initiative to add a paragraph to Article 205 of the Constitution also provides that "the author or authors of such proposed reform or repeal, and those who support such measure, directly or indirectly, shall be removed de facto from their respective positions and shall be permanently prohibited from exercising any public function." The legislator stated that this drastic and severe addition is necessary to prevent any attempts at constitutional reform such as the one of 1920, under the Leguia government. "The country still remembers its disastrous consequences," she said. The Populist senator, still citing

sources, indicated that except for the Constitution of 1926, the other six constitutions this country has had prohibited the immediate reelection of the president. Our current Constitution also prohibits it, and for the good of the democratic system, we should not try to modify it, she reiterated. She indicated that to prevent any attempt at constitutional reform that would threaten this article, as is now being done in a bill submitted to the Chamber of Deputies, the above-mentioned addendum is necessary. Its text is similar to that contained in Article 142 of the 1933 Constitution. "We are certain that all defenders of the democratic system in Parliament will support this initiative," she declared. [Text] [Lima EL COMERCIO in Spanish 1 Dec 86 p A-4] 8926

CSO: 3348/126

END

END OF

FICHE

DATE FILMED

Feb 3, 1987

BRIEFS

SOVIET NUCLEAR SAFETY TEAM VISITS--Pursuant to an agreement signed by the governments of Cuba and the Soviet Union, between 12 and 21 October a delegation from the state supervisory agencies in charge of safety at nuclear facilities in that country visited Cuba. G. E. Moslov, vice-chairman of the USSR State Committee for Safety in Atomic Energy Projects, headed the delegation. During its stay in our country, the Soviet delegation met with leaders and officials of the respective Cuban organizations in this field. The visitors also saw how work is progressing on Blocks 1 and 2 of the Juragua nuclear power plant, which is under construction. There they exchanged views with Cuban specialists and Soviet technical assistants. In this dialogue the various participants verified the strict safety measures that are being followed in this project, and the quality control in the construction of the power plant. At the end of the visit, a protocol was signed to expand cooperation between the two countries in this field. Alberto Rosabal, vice-secretary of the Executive Secretariat for Nuclear Affairs, signed the document on behalf of Cuba, and G. E. Moslov did so for the Soviet Union. The document was signed in the presence of Marcos Portal, minister of basic industry and member of the Central Committee of the Communist Party of Cuba; Fidel Castro Diaz Balart, executive secretary of the Cuban Atomic Energy Commission; and vice-ministers and other guests. [Text] [Havana GRANMA in Spanish 22 Oct 86 p 3] 8926

INDUSTRIAL FIRES DISCUSSED--Havana--Negligence is the principal cause of industrial fires in the province of Havana, it was stated here yesterday at the 1st Fire Protection Event, where representatives of enterprises and establishments in the territory examined the problems that cause these accidents. A report presented and discussed at the plenary session states that of the 188 fires that occurred during the 1981-85 5-year period, 144 were due to negligence. Although 15 fires took place in the first half of 1986, 7 less than during the same period of 1985, the losses totaled 400,871 pesos. The document criticizes the lack of fire detection and extinguishment systems at workplaces or the failure to maintain existing systems, the overcrowding of warehouses or the placement of goods in inappropriate areas, the lack of preparation of volunteer firemen, and the use of firefighting equipment for other purposes. [Text] [Havana GRANMA in Spanish 17 Oct 86 p 3] 8926

CSO: 3248/107

NATIONAL CREDIT BANK REPORTS ON ASSETS, LIABILITIES

Santo Domingo LISTIN DIARIO in Spanish 6 Nov 86 p 1-D

[Text] By the third quarter of the year, the total assets of the National Credit Bank (BNC) amounted to 146.8 million pesos, an increase of 40.9 million (39 percent) since the previous quarter. This was revealed in a report released to the press by that entity on the occasion of its fifth anniversary.

This growth is higher than that recorded between the first and second quarters of the year, which amounted to 23 percent.

Moreover, the growth rate of the BNC's assets was the highest of all commercial banks with assets exceeding 100 million pesos.

In addition, total assets reached 41.7 million pesos, a 20-percent climb, while in the previous period it had been just 6 percent.

The combined total of the assets of the BNC and the National Development Bank (BND) is 194.5 million pesos, which represents an increase of 49 million (34 percent) over the previous quarter's figure.

The increase in the BNC's loan portfolio by 32.4 million pesos, a growth rate of 59 percent, was the main factor in the expansion of assets. In this category as well, the bank reports the most impressive growth rate of all commercial banks in the country as of 30 September.

The growth of the portfolio was caused by an increase in the loans extended to the export, commerce, and industry sectors. Specifically, export loans rose from 2.4 million to 7 million pesos (192 percent), industrial loans from 16 million to 25.2 million pesos (86 percent), and agriculture-livestock loans expanded by 11 percent. This shows that the BNC's interest lies in investing its deposit funds in the country's production sectors.

The loan portfolio rose from 31.5 million to 33.1 million pesos, a 5-percent growth rate.

Liabilities totaled 146.8 million pesos, a 39-percent climb, because deposits were 49 percent higher. Demand deposits amounted to 33.1 million pesos and savings accounts 34.5 million pesos, reporting respective increases of 48 and

36 percent. Time deposits, on the other hand, went from 32.6 million to 49.1 million pesos, a 55-percent jump.

The share of the various types of deposits within the overall portfolio remained practically the same.

According to the report, time deposits are still the principal source of funds for the bank, given that they account for 42 percent of the total. The second-largest source is savings accounts, which represent 30 percent; in last place are demand deposits, which represent 28 percent.

The report also emphasizes the significance of the share of time deposits and savings accounts in the portfolio because they are very stable sources of funds, and they therefore contribute to the stability of the portfolio.

It cites other major liabilities, such as demand liabilities, which amounted to 4.6 million pesos, compared to 2.3 million the previous quarter.

The most important change in the BND's liabilities was the 64-percent rise in short-term obligations.

As for capital, the report states that it rose by 2.2 million pesos, equivalent to 16 percent, over the previous quarter's total. The capital of the BND rose by 6 percent, from 5.7 million to 6.1 million pesos.

"The quarter that ended on 30 September of this year was very favorable for the National Credit Bank. The constant growth of deposits, as a result of an energetic promotional campaign, provided the necessary funds for considerable growth of the credit portfolio, and therefore assets. It is also important to stress that the utilization of deposited funds was so efficient that the loan portfolio ratio reached 74 percent," says the report.

With the increase in its loan portfolio, the National Credit Bank becomes the sixth-largest bank in the country, given the size of its portfolio and the amount of its assets in the ninth[month].

The quarter in question was also very important for the National Development Bank, since its expanded loan portfolio and assets made it the third-largest development bank in the country, both because of the volume of its portfolio and because of its assets.

8926

CS0: 3248/89

DOMINICAN REPUBLIC

CENTRAL BANK REPORTS ON FOREIGN PAYMENTS

Santo Domingo LISTIN DIARIO in Spanish 14 Nov 86 pp 1, 14

[Article by Jose Romero]

[Text] The Central Bank reported that as of yesterday it had made outlays of US \$170 million abroad since Dr Joaquin Balaguer took office.

According to the bank, \$104.6 million of that consisted of service on the public foreign debt, and \$51.5 million was paid for oil and petroleum derivatives.

The bank also made other outlays, \$4.4 million for food and \$9.5 million for "other imported goods and services."

The Central Bank reported that the funds received from the Reagan Plan and those from the initial phase of the Industrial Reactivation Plan (PRI) were not included in these expenditures. Special accounts were not included, either.

On the other hand, a source at the bank claimed not to have any knowledge that a mission from the International Monetary Fund will visit soon to begin talks on the new agreements with the Dominican Government. "This is the first we have heard of it," said the source when asked about press reports to that effect.

The source stated that these payments were reviewed yesterday during a session of the Monetary Board.

He added that the Central Bank is considered to have made an extraordinary achievement in keeping the country up to date on its minimal international commitments.

"This indicates that a tremendous effort has been made, paying with enormous austerity and an attitude of respect for the traditional image of a reliable payer," added the source.

He also noted that the amount of outlays "is very close to the real amount the country can afford to pay, and was the maximum indicated for the last quarter of the year."

"Thus, this is a good indication that we have paid to the best of our ability, and that this sum was the real sum we said we could pay," added the source.

For the coming year, the country's debt service amounts to \$1.05 billion, but the bank believes that the Dominican Republic can really only afford half that figure.

For the year that is drawing to a close, the country was supposed to pay nearly \$850 million, but it actually paid about \$500 million.

8926

CSO: 3248/89

BLAIZE AIDES CAPTURE KEY POSTS IN NNP ELECTIONS

Port-of-Spain TRINIDAD GUARDIAN in English 8 Dec 86 p 5

[Text]

ST GEORGE'S, Dec 7, Cana—PRIME MINISTER Herbert Blaize last night strengthened his grip on Grenada's ruling New National Party (NNP), with his close aides capturing two key posts.

The elections took place against what insiders said was a background of manoeuvring by Agriculture Minister George Brizan and Labour Minister Dr Francis Alexis to give their parties a better standing in the three-party NNP.

Mr Blaize's close aide, External Affairs Minister Ben Jones, won the number two position in the party from Mr Brizan while Public Utilities Minister Dr Keith Mitchell beat back a challenge from Senator Jerome Joseph for the post of general secretary.

Mr Jones, in replacing Dr Alexis who did not seek reelection as Deputy Political Leader, polled 212 votes to Mr Brizan's 126 while Dr Mitchell collected 217 votes to Senator Joseph's 117.

Mr Blaize was re-elected unopposed as party leader for another year while Senator Larry Joseph was elected as the new party chairman.

People's Support

Mr Jones told Cana that his victory was a reflection of the people's support

for his brand of politics, which is based on democracy, freedom, and the rule of law.

Dr Mitchell who has been under severe attack from the Alexis-Brizan camp over alleged wrong-doing in his ministry, said the result indicated clearly that Mr Blaize emerged victorious over his rivals.

But he said the party needed to deal urgently with issues such as its own unity and restless civil servants.

He also said that reports of a split between himself and Dr Alexis have been blown out of proportions since the only problem is that they had differed in the past on some specific issues such as the dismissal of Junior Minister Kenny Lalsingh earlier this year.

"I believe that Dr Alexis can do a lot to help this country, and NNP needs a Brizan because he has a lot of mass support," he remarked.

"I honestly hope that this is an opportunity to unite all of us in the party. We need to talk about how we can move the country forward again," he added.

The party convention ends today with a public rally to be addressed by Dominica Prime Minister Eugenia Charles.

/9274

CSO: 3298/066

RIFTS IN NNP MAY GIVE GAIRY OPENING FOR COMEBACK

Port-of-Spain TRINIDAD GUARDIAN in English 16 Dec 86 p 12

[Text]

ST. GEORGE'S, Dec.15, AP — SIR Eric Gairy, the eccentric and authoritarian Prime Minister who was ousted by a leftist coup eight years ago, is planning a comeback, and rifts within the ruling New National Party may provide him an opening.

"Decisions can't be made because there is no unity in the Government," Sir Eric, 64, said in an interview, "Every man is greedy and selfish and interested only in what he can get for himself, politically and financially."

"I expect them (the ruling party) to fold before June," he said in an interview with the Associated Press.

Elections aren't scheduled until 1989, but the ruling party — a coalition of three groups that formed, with US prodding, four months before the December 1984 elections — may not hold together that long.

The leaders of the smaller parties, Dr Francis Alexis of the former Grenada Democratic Movement and George Brizan of the former National Democratic Party, have pressed Prime Minister Herbert Blaize for more authority, and he has turned them down.

Dr Alexis, the Labour Minister and Deputy leader, asked Mr Blaize earlier this year to be named acting Prime Minister when Mr Blaize was off the island, Mr Blaize chose instead to give that responsibility to Foreign Minister Ben Jones, a colleague from the former Grenada National Party.

Irritation

At the NNP convention this month, Mr Jones was elected Deputy party leader over Mr Brizan to replace Dr Alexis, a turn of events that irritated the latter two.

Dr Alexis threatened to resign last September and he and Mr Brizan since have issued veiled criticism of Mr Blaize, who despite a reputation for high-handedness, remains very popular with Grenadians.

"When decisions are going to be taken about the future of the country, it must be understood it is not a matter of one man getting up in the morning and deciding to smash up the place," Dr Alexis said recently.

The infighting comes at a time when international aid, mostly from the United States, is drying up; the national budget is in deficit; the Government is trying to reschedule foreign debt repayments; an unpopular value added tax has been introduced and one in five Grenadians is out of work.

Teething Pains

Another potential cause for concern is Mr Balize health. The 68-year-old Prime Minister has a

prostate problem, he said, that requires radiation treatment twice a year, which he receives in the United States.

Mr Balize, the Prime Minister from 1962-67 and a clear favourite of the Reagan Administration, dismisses reports of rifts and dissension within the ruling party as "teething pains."

"We took on the pressures of Government at the same time as we were trying to build the party," Mr Blaize said in an interview with the Associated Press.

Meanwhile Sir Eric Gairy has been holding rallies for his Grenada United Labour Party, which he founded in 1950 and which has been the springboard for his political success. Already he has readied a slate of candidates in the event early elections are held.

Grenada's quirky Head-of-State for 12 years before the coup, Sir Eric seemed washed up when he was ousted by Maurice Bishop and the leftist New Jewel Movement in February 1979. The United States gave him refuge, but quickly recognised the new regime, as did Britain and neighbouring Caribbean Governments.

After Bishop's assassination in October 1983 by radical members of his own Movement, and the subsequent US invasion, Sir Eric returned home. He did not seek a seat in Parliament, but he campaigned for Gulp candidates and the party carried 36 per cent of the vote.

He tells supporters now he is a different man from cricket-playing, woman-chasing "Uncle Gairy" they grew to love when Grenada was a British

colony, then an associated State and finally a sovereign country.

"You can't name a cricket field in Grenada that I haven't played on. I played tennis five times a week," he said at a recent rally. However, "in the five years (of US asylum in southern California), I made a significant change in my lifestyle ... and behavioral patterns."

At his spacious but sparsely furnished home overlooking St. George's harbor, Sir Eric continued: "I have made changes in myself. Sports and dancing and sex and girls — I don't need them, now."

His assessment notwithstanding, a lot remains of the Prime Minister who urged the United Nations to investigate the phenomenon of unidentified flying objects, who accepted an invitation to judge a Miss World beauty contest, who spent public money as if it were his own and is thought to have practised voodoo.

Sir Eric credits his rising political fortunes to "divine essences," and Bishop's downfall to divine retribution. He talks in mystical terms of the power of love and personal magnetism. He dismisses criticism of his past activities as "pretty jealousy."

His party would have won the 1984 elections, he said, if ballots had not been chemically treated beforehand to erase the marks made by Grenadians and replace them with prefabricated marks in favour of the NNP.

To this day, Sir Gairy denies he had anything to do with the "mongoose gang" of thugs that ran roughshod over his political opponents.

BANK REPORTS MIXED ECONOMIC RECORD FOR FIRST HALF OF 1986

Port-of-Spain DAILY EXPRESS in English 12 Dec 86 p 41

[Text]

(CANA) — Grenada's economy, projected to grow by 4.5% this year compared with a three improvement in 1985, had a mixed performance in the first half of the year, according to the Eastern Caribbean Central Bank (ECCB).

The bank said in its latest economic and financial review: "Production of three of the four major agricultural commodities increased while on balance industrial production geared towards domestic consumption declined.

"However, there was a substantial increase in activity in the tourism sector."

The production of bananas which has experienced a downward trend in recent years expanded by 108 tonnes (2.6%) to 4,235 tonnes during the review period.

Nutmegs and its by-product Mace expanded by 299 tonnes (27%) and 58 tonnes (56%) respectively to 1,398 tonnes and 162 tonnes. Production of the major export crop, cocoa, declined by 314 tonnes (20%) to 1,273 tonnes.

However, the volume of fresh fruits exported declined by 555 tonnes

(26%) to 1,571 tonnes during the first three months of the year.

Significant increases were recorded in the production of edible oil, rum and soft drinks as output rose by 13.6%, 11.4% and 10.3% respectively.

The volume of soap, malt and stout produced was 30%, 13% and 13% respectively below their 1985 levels.

The rate of inflation as measured by the retail price index (RPI) rose to 1.4% during the first half of 1986 as compared to one in the corresponding period last year.

Significant increases were recorded in the sub-indices of furniture and domestic appliances (20.7%), and alcohol and tobacco (13.5%).

Fuel and light, and transport and communications declined by 11.4% and nine respectively, mainly as a result of the reduction in the retail price of kerosene and gasoline.

Following a 0.1% decline in 1985, the sub-index of food and beverages rose by 1.8% while that of clothing and footwear which had recorded the highest increase (5%) in 1985 fell by 2.9%.

/9274

CSO: 3298/066

UNEXPECTED TESTIMONY GIVEN BY KEY DURAZO CASE WITNESS

Mexico City EXCELSIOR in Spanish 13 Nov 86 pp 4-A, 37-A

[Article by Rafael Medina Cruz; for related reporting, see JPRS LATIN AMERICA REPORT of 12 November 1986 (JPRS-LAM-86-106), pp 96-101.]

[Text] Juan Miranda Collado, the Public Ministry prosecutor assigned to the 26th Penal Court, rose to his feet in indignation and shouted: "This is no good! . . . My witness, who was jailed by Durazo, who was sent to the mounted police, to the 'granaderos' [a Federal district General Secretariat for Safety and Roadways police unit responsible for control of crowds and demonstrations], to the box seats in Hidalgo, now instead of receiving threats has received nothing but hugs and congratulations!"

Fernando Medina Morales, a colonel in the former General Directorate of Police and Traffic (DGPT), and sworn enemy of the former police chief when he sent him to jail, was considered to be the most important witness to testify against Durazo Moreno. But yesterday, when he appeared in court before Judge Maria de Jesus Medel Diaz, he was quite different. He was not the same man whom Miranda Collado "showed off" to the press when he crowed: "Just wait and see what my witness says."

It was 1030 hours when the judge began the proceedings. It was expected that for the second time during the trial of the accused, the "witness" would hurl serious accusations at "Blackie Durazo." Such was not the case. Medina Morales, who had been degraded by his former boss and humiliated by being thrown in jail, the victim of power that sent him to prison because of his friendship with the former chief justice of the Superior Court of Justice, Salvador Martinez Rojas, did not state what everyone expected.

"I never," he said, not removing his gaze from Durazo and his attorneys, "received any threats or demands for money. If I was imprisoned and was changed from one job to another on several occasions, it was because of the intrigue of Jose Gonzalez Gonzalez."

According to Jose Gonzalez Gonzalez' testimony when he appeared to in the 26th Penal Court, Medina Morales was removed from his post as area chief of the Benito Juarez Delegation and sent to the mounted regiment "for failing to pay the dues demanded by Durazo," and after a subsequent investigation was accused

and remanded for fraud, threats, and injustice. Medina Morales said, however, that all he received from his "former boss" was "consideration."

"'Mi general' gave me recognition," he emphasized, "and even awarded me a medal for being the best area chief in my time."

A Witness Who "Won't Back Down"

Juan Miranda Collado, sitting to one side of Medina Morales, shook his head. He kept running his hands through his hair, tugging at it in disbelief. He glanced out of the corner of his eye at the reporters, the newspaper and television cameras. Shortly before, only minutes earlier, he had told them, "just wait and see what is going to happen. My witness is from Arcelia, Guerrero, where they never back down."

The former colonel, however, appeared to know exactly what he was doing as he calmly answered the questions posed to him by the reddening Juan Miranda Collado and the court reporter took down his words.

The witness, who appeared as a result of a motion filed by the prosecution (the Public Ministry), actually seemed to have been invited by the defense. Juan Velazquez, the common representative of Durazo Moreno's attorneys, smiled maliciously and mockingly at the reporters.

Instead of eliciting responses that provided evidence of Durazo's conduct, the examination by the deputy of the Federal District Attorney General's Office (PGJDF) ended up helping the defendant.

"Why were you changed from area chief to the mounted regiment, and from there to the 'granaderos'?" asked Miranda Collado.

"For service reasons. That was ordered by 'mi general' so that mafias would not be formed. He did not want vested interests to develop in the sectors with the restaurants, merchants, bankers, with people in the area. That is why he ordered me transferred."

And one after another, Miranda Collado's questions, which were intended to bring out something against Durazo Moreno, ended up favoring his conduct.

In fact, documents and photographs were introduced which Medina Morales and Durazo's defense attorneys used to show the "good will and humane attitude at the head of the police" displayed by the man who is now being prosecuted for carrying out threats.

The trial was interrupted momentarily by Judge Maria de Jesus Medel Diaz at 1130 hours when documents were revealed in which Medina Morales congratulated Durazo Moreno one time for being the best police chief Mexico City had ever had.

Durazo's Philanthropy

Also displayed and attached to the file were 19 photographs showing 1,800 children enjoying a free breakfast at a school in the Benito Juarez Delegation, thanks to Durazo Moreno.

Former Col Medina Morales, who was also held for 6 months at the same jail where Durazo Moreno is now in custody, denied repeatedly that he had been turned in by his former boss.

"It was due to the intrigue of Gonzalez Gonzalez. Durazo even gave me two attorneys to handle my case."

Judge Maria de Jesus Medel Diaz listened attentively to Medina Morales' testimony, and then ordered that it be transcribed into the file.

At 1200 the proceeding was adjourned, but this time Durazo Moreno did not immediately leave his cubicle, which is surrounded by protective bars and thick glass.

"Arturo Juan Velazquez, he's talking about you. He wants to talk to all of you. Wait for him to sign," the defense attorney told the reporters.

Good Old Days

With an extremely hoarse voice, Durazo Moreno talked to the media just like in the good old days. He said:

"You know that I have never spoken out. Now I am doing so, because I want to tell you that I respect the decisions of the judges. I abide by the law. I respect it. But I must tell you that just as you publish an 8-column story when the witnesses malign me, now you must publish what this witness, who was presented by the Public Ministry that is accusing me, has stated so honestly. Like a man."

And then he assailed the only person who has remained steadfast in the accusations he made in court: Jose Gonzalez Gonzalez.

"I think it has already been proven that this Gonzalez is a mythomaniac, a liar, a disgusting drunk, a drug addict. He is the one who should be in the pamphlets, not me. You already heard what Medina Morales said about me."

The former police chief was interrupted by a reporter asking why, then, was he in jail and the Parthenon and the house at Ajusco impounded.

"I do not know," he answered.

[Question] Is your trial unfair?

[Answer] I have always maintained that it is.

[Question] Who are your enemies?

[Answer] I have no enemies. The ones involved in this are small fry. The big enemy is the one who comes up to you in the street and shoots you.

Then he claimed to have proof that the witnesses who testified against him, a few "minor officials," were pressured, threatened, and beaten. "If you want, I'll show you the certificates from the doctors who verified it."

According to Durazo Moreno, "everything that is said about me is exaggerated," and he said that this will come out in the trial.

Finally, he stated that he expects to get out of jail. "I have a family, I have children. Or what do you want, for me to spend my whole life here?"

Back in his office, Juan Collado Mirando kept repeating to whoever asked him about what had happened to the "witness" Medina Morales in court: "He sold out . . . he sold out. There's no other explanation. All these people are out after money, and you saw it, he sold himself to Durazo. He was my witness. It's incredible, he looked like a defense witness. But we are going to investigate this."

8926

CSO: 3248/86

26 PERCENT OF TAX REVENUES SAID TO GO UNCOLLECTED

Mexico City LA JORNADA in Spanish 19 Nov 86 pp 1, 16

[Article by Lourdes Galaz]

[Text] At least 8 million Mexicans who work and receive income do not pay taxes, says the Labor and Social Security Secretariat (STPS). Thousands of businessmen, industrialists, and merchants evade taxes, the Employers Confederation of the Mexican Republic (COPARMEX) admits publicly. The Secretariat of Finance and Public Credit (SHCP) contends that the loss in income tax (ISR) revenues will be the equivalent of 1.8 percent of the GDP this year, as compared to 1982. Private sector investors estimate that the underground economy, which protects evaders, accounts for 35 percent of the national product and represents a loss of 26 percent of all tax revenues to the treasury, it was stated on the eve of the appearance of Gustavo Petricioli.

The economic crisis has aggravated tax evasion in Mexico, and has forced businesses to finance themselves through taxes. At the same time, the underground economy has skyrocketed, and there millions of Mexicans earn incomes which they do not report to the treasury, admits the Secretariat of Finance in confidential documents.

University researchers believe that "if the economic crisis has not resulted in a social explosion, it is because the ingenious Mexican has been able to invent means of surviving so that he will not starve to death and he can live immersed in the so-called underground economy."

Analysts at the Private Sector Center for Economic Studies (CEESP) state that the underground economy has entailed losses of 26 percent for the treasury. The president of COPARMEX, Bernardo Ardavin Mignoni, argued that this type of economy has raised the value of the national product by more than 35 percent. He did not mince words when he stated: "Thousands of industrialists, businessmen, and merchants are evading taxation. They do not make their payments to the Institute of the National Fund for Workers Housing (INFONAVIT) or to Social Security, nor do they meet their other obligations," such as the payment of professional wages to their workers.

At the mere announcement of tax reform, business leaders prepare exhaustive studies on the underground economy to prove to the government that the fall in revenues is due to "the excessive tax burden, to regulations and official prohibitions, and to bureaucratic corruption."

The government responded with the announcement of a National Crusade Against Evasion, which will be explained today by Finance.

8926

CS0: 3248/86

COMERCIO ON BRAZIL'S ZANJA NORTE PLAN

Lima EL COMERCIO in Spanish 3 Nov 86 p A-2

[Text] Brazil has just announced that its Foreign Ministry has decided to implement a vast plan for the economic and military occupation of its borders. The program will last about 4 years and will cover 45 percent of that country's territory.

It is very important to bear in mind that Brazil's extensive borders are contiguous with no less than six countries; one of those borders, the longest of all, is the eastern edge of our country.

Among the reasons cited by Itimaraty for implementing such a vast and simultaneous plan of action on an emergency basis is the possibility of border conflicts between Brazil's neighbors, and the fear that such clashes would lead to antagonism among the powers.

The Brazilian Foreign Ministry claims to be cognizant of the current situation in the Caribbean Basin, and contends that Brazil's multifaceted concern has to do with "national security, drug trafficking, guerrilla warfare, and the smuggling of gold and other items."

However, one point in this explanation of the measures to be taken under the plan, which has been dubbed "Zanja Norte," is not very clear and is even contradictory: the indispensable participation of the bordering countries (Peru, Colombia, Venezuela, Guyana, French Guiana, and Surinam). The Brazilian Foreign Ministry has appealed to them to cooperate, even though it also admits that it has proceeded so far without consulting them in the least.

This is a delicate point, then, which has a direct effect on one of our most extensive and least developed regions. This is especially so if, as expected, the Zanja Norte project has the practical result of preventing the demarcation of some Indian lands, such as those corresponding to the Tikuna tribe in our case.

8926

CSO: 3348/126

ANNIVERSARY OF PRC DIPLOMATIC RELATIONS MARKED

Lima EL COMERCIO in Spanish 2 Nov 86 p A-5

[Text] Peru and the People's Republic of China will hold a variety of events simultaneously in Lima and Peking to celebrate the 15th anniversary of the date when they decided to establish diplomatic relations. The two governments expect to sign a cultural agreement during these commemorative events.

On 2 November 1971, Peru and the PRC initiated a close relationship that is rooted in the two nations' histories, according to the Peruvian Foreign Ministry.

From that date on, Peru and the PRC shared various interests in the commercial, technical, and cultural fields, and these interests have translated into important cooperation projects aimed at achieving the potential of each nation.

These projects, says our Foreign Ministry, received a considerable boost recently as a result of the visit by the president of the Council of Ministers and minister of the economy, Luis Alva Castro, to the PRC last June at the invitation of the prime minister of that nation.

In addition to the signing of the cultural agreement, the Peruvian Embassy in Peking will publish a magazine that will illustrate all the features of Peru.

The foreign ministries of the two countries have coordinated the presentation of simultaneous events in Lima and Peking, with the attendance of high-ranking officials in both cases.

8926

CSO: 3348/126

REPORTS ON CHANGES, CORRUPTION IN PRISON SYSTEM

New Lurigancho Director

Lima EL NACIONAL in Spanish 1 Nov 86 p 8

[Text] The first action of the new director of San Pedro Prison (formerly Lurigancho), Dr Raul Pineda Paredes, was to conduct a census of the inmates in that penitentiary yesterday.

The survey initiated by the new prison director was carried out by 150 employees of the prison itself, and 50 others of the National Penitentiary Institute (INPE) central office. They proceeded to conduct the census of the inmates, and then to compare the figures with the rolls recording admittances to the prison.

This is an unprecedented measure, not taken by any other INPE official who has directed the prison. It should be noted that Dr Pineda did not sign the respective appointment document until the head-count of the prisoners began.

The survey of inmates at San Pedro Prison was conducted in the presence of the trial judge on duty at the time, Dr Julio Velarde Moreno, and the penal execution judge of Lurigancho, Dr Miguel Estrada Choque.

Dr Pineda is replacing Wilmer Lazarte Lescano in the post; the latter was dismissed after being accused of being an accomplice in the escape of dangerous criminals.

Lurigancho Inmate Escapes, Releases

Lima EL COMERCIO in Spanish 4 Nov 86 p A-1

[Text] As INPE discovered that 88 inmates were missing from Lurigancho Prison after conducting a census of the population, judicial authorities revoked the work furlough privilege that had been granted to 435 inmates in the Iquitos and Huanuco Prisons.

The president of the National Penitentiary Institute, Oscar Mejia Quiroz, stated yesterday that the head-count at Lurigancho was conducted last Friday,

and revealed a total of 4,163 prisoners. This meant that 88 inmates who were serving sentences for various crimes had disappeared.

Both the Justice Ministry and the judiciary, in conjunction with the National Penitentiary Institute, alerted police throughout the country so that they could recapture these prisoners immediately.

"We cannot say that all of them escaped, because it may be that some of them are out on furlough or are in the hospital," asserted Mejia.

13 Hours

The census took 13 hours, and it was conducted with the help of Dr Raul Moreno Osorio, of the 24th District Attorney's Office, and five assistant attorneys. In addition, Francisco Neyra Montoya, director general of the Inspectorate, was present as well.

As for the inmates whose work furlough has been revoked (235 in Iquitos Jail and 200 in Huanuco Prison), the president of the INPE indicated that they did not spend the night in their assigned furlough houses, and their whereabouts were unknown.

He explained that in the case of Iquitos, of a total of 240 prisoners who enjoyed this privilege, only 5 reported in every night.

Prison System Corruption

Lima EL COMERCIO in Spanish 6 Nov 86 p A-1

[Text] One more indication of the corruption that plagues the National Penitentiary Institute is the fact that in the last 12 months administrative charges have been filed against 170 penitentiary agents, resulting in the dismissal of 80 of them for a variety of crimes.

Many are responsible for the escapes of habitual criminals with records for kidnappings and assaults; they charged between 40,000 and 50,000 intis (40 to 50 million soles), it was learned.

No Trust

The corruption in the prison system has spread to many people, and has become so entrenched that no one can be trusted, even in the Inspectorate and the Security Office.

More than a month ago an Inspectorate commission was instructed to investigate the eight employees of Miguel Castro Castro Prison who prevented the Peruvian Investigative Police (PIP) from capturing Agent Luis Alberto Rodriguez Loayza, who was implicated in escapes.

After a "rigorous investigation," the three members of the commission issued an incredible report exonerating the employees of any administrative

responsibility. Administrative charges have now been filed against the members of the commission for their dubious behavior.

Another Serious Case

Another serious case is that of former Secretary General Victor Salazar Otiniano, who was dismissed for having provided false documents to a drug trafficker so that he could obtain work furlough.

Beginning today, EL COMERCIO will be publishing a series of articles illustrating the current situation in the country's prisons. (More information on page B-16.)

Former Lurigancho Director Punished

Lima EL COMERCIO in Spanish 6 Nov 86 p A-12

[Text] A prison term of 2 years and a fine of 30 days' pay is the minimum sentence that the former director of Lurigancho Prison, Wilder Lazarte Lezcano, could receive if he is found guilty of aiding in the escape of 23 inmates, it was reported yesterday.

If it is proven that the escapees include people accused or convicted of drug trafficking, however, the former director and the other officials implicated in the case could be subject to a term of up to 15 years in prison, said judges who were questioned about this matter.

The 2-year prison term and the fine are provided for in Section 331 of the Penal Code, which defines as a crime against the administration of justice any action by officials, either by omission or commission, which enables inmates to escape.

In general, Section 331 of the Penal Code indicates that "anyone who removes a person from penal pursuit or the execution of a sentence, by hiding him or facilitating his flight or denying (. . .)" is guilty of a crime against the administration of justice.

But Article 66 of Legislative Decree 22095, which compliments the aforementioned Penal Code section, refers specifically to the flight of drug traffickers or their protection from justice, indicating that anyone committing this crime shall be subject to up to 15 years in prison.

These explanations were provided after it was learned that a recent census of inmates at Lurigancho Prison revealed that 23 prisoners being held in that facility had "mysteriously disappeared."

Prison 'Mafia' Dispersed

Lima EL COMERCIO in Spanish 29 Oct 86 p A-1

[Text] More than 40 inmates, including drug traffickers and kidnappers, some of whom had been sent to prison up to six times, are serving time in San Jorge

Prison, which is supposed to be designed solely and exclusively for first-time offenders.

This is due to a series of "special" transfers made without consulting or obtaining authorization from the General Office of Security. Until last week that office was run by Carlos Castro Landaverri, who has now been removed from his post in connection with the irregularities of the Tweddle case.

This aberrant situation was discovered yesterday by the president of the National Penitentiary Institute (INPE), Dr Oscar Mejia Quiroz. He immediately ordered that these inmates be transferred to Lurigancho Prison, where recidivists are incarcerated.

There are more than 40 of these privileged prisoners (most of them drug traffickers) who had been confined at Lurigancho and were gradually transferred to San Jorge at odd hours, commented INPE spokesmen.

Representatives of this institution stated that an exhaustive investigation has been ordered so that those directly responsible for the problem can be singled out. In this way, the mafia that is ordering and executing these irregular transfers can be eliminated.

Drug trafficker Carlos Langberg Melendez has been in a maximum security cell at Miguel Castro Castro Prison in Cantogrande since yesterday. At 1200 hours he left the Judicial Police Holding Jail, and 20 minutes later he arrived at the aforementioned prison. Langberg, as can be seen in the photograph, traveled in a locked cell-van belonging to the National Penitentiary Institute.

INPE Reorganization

Lima EL COMERCIO in Spanish 6 Nov 86 p A-12

[Text] With the implementation of the reorganization and restructuring of the National Penitentiary Institute (INPE), at least 30 to 40 percent of the employees of that entity, who have been implicated in a number of irregularities, will be dismissed from their jobs without administrative hearings.

This was revealed by a high-ranking INPE official, commenting on the Senate's passage of the respective bill.

INPE President Oscar Mejia Quiroz declined to specify the number of employees who will be fired from the institution in the reorganization, but he commented that the corruption in this institution is more serious than he had thought.

"The corruption is extremely alarming in all areas. There is detachment and total immorality. However, I would like to clarify that there are also honest people whom we are retaining and giving appropriate opportunities, because many of them were overlooked," he added.

Referring to Senate passage of the bill to reorganize and restructure the INPE, he pointed out that it is one more stimulus for those who want to work more intensively.

He called upon the deputies "with great respect" to pass the bill in their chamber as soon as possible.

He also noted that this law will allow for a comprehensive evaluation of the entire prison staff, and this will determine which employees have impeccable records and thus should remain on the job.

8926

CSO: 3348/126

AGRICULTURE MINISTER FORESEES SELF-SUFFICIENCY

Lima EL NACIONAL in Spanish 21 Nov 86 p 4

[Text] In the next 5 years, the country will attain self-sufficiency in rice, sugar, corn, and poultry, once the government begins operating the agroindustrial production units in the jungle, announced Agriculture Minister Remigio Morales Bermudez yesterday.

Minister Morales Bermudez stated that these agroindustrial production units in the jungle are expected to grow 60 hectares of rice, 40,000 hectares of corn, and 15 million fowl. In addition, sugar production will reach the level it had attained in our country in 1972.

With these production totals, Peru will be able to supply its own needs for these food products and will no longer have to import them, he emphasized.

He also pointed out that these production units will carry out a social function in the areas where they operate, which will contribute to the development of the peasant and Indian communities of the region.

This is being done, he explained, in accordance with the postulates put forth by President Alan Garcia, who announced that the jungle will become our country's bread basket.

To carry out this ambitious plan, the government is studying the possibility of granting specific exemptions to private investors who want to set up their production facilities in the jungle. It is also looking into the idea of repatriating our foreign exchange from abroad and providing income tax exemptions to businessmen from other sectors who want to reinvest their profits in agroindustry.

This was stated by Minister Remigio Morales Bermudez at a meeting he had yesterday with Cuban Foreign Trade Minister Ricardo Cabrisas and the ambassador from the Socialist Republic of Cuba, Francisco Ramos.

The two ministers, who were accompanied by their advisers, discussed the sugar cane plantings in the jungle. The Cubans have vast knowledge and experience in this area, stated the Peruvian chief of agriculture.

Morales Bermudez stated that Peru and Cuba have been considering the idea of engaging in compensated trade of the agricultural products of our countries, and also the transfer of technology in the areas of livestock and sugar processing. Speaking specifically of the problem of sugar, Minister Morales Bermudez admitted that there is a severe crisis in the Peruvian sugar industry, and that many cooperatives will have to change their planting schedules, "after the necessary studies are conducted."

8926

CSO: 3348/126

BRIEFS

'MARANON' CREW SMUGGLING--Contraband including electrical appliances valued at 400,000 intis (400 million soles) was discovered by customs agents at the Callao Maritime Terminal on board the vessel "Maranon," owned by the Compania Peruana de Vapores. The ship had arrived at our principal port from Asia, bringing light weapons (AK-47 rifles) manufactured in North Korea for the police forces. The illegal goods were found camouflaged in the interior compartments of the vessel early last Friday morning. According to the captain of the ship, the goods were surreptitiously placed on board by crew members without the knowledge of the superior officers on the "Maranon." The shipment includes six refrigerators, six color television sets, 20 bicycles, toys, and clothing. These and other items were found hidden among the machinery and garbage cans. The chief of the Customs Guard of Callao, Cmdr Alberto Saavedra Silva, indicated that the cargo was discovered during a routine inspection early the morning of Friday the 31st, with the participation of the district attorney of Callao, Dr Martin Retamozo. The goods will be turned over to the customs administration and then will be placed in the impoundment warehouse. The appropriate District Attorney's Office will be notified, pursuant to the procedures followed in such cases. [Text] [Lima EL COMERCIO in Spanish 6 Nov 86 p A-12] 8926

PRESIDENTIAL REELECTION BILL--Article 205 of the State Constitution, which prohibits the immediate reelection of the president, cannot be reformed or repealed if a bill introduced in the Senate by the Populist senators passes. Sen Bertha Arroyo de Alva stated that only authoritarian regimes "have a propensity to hang on to power, resorting to the use of the state's resources and influences to perpetuate their hold on the government." She indicated that it is the duty of all parliamentarians who belong to democratic political parties to prevent the success of initiatives aimed at such purposes. They must do so for the good of the democratic system, she noted, which "cost us such a great effort and sacrifice to restore." She explained that her party's initiative to add a paragraph to Article 205 of the Constitution also provides that "the author or authors of such proposed reform or repeal, and those who support such measure, directly or indirectly, shall be removed de facto from their respective positions and shall be permanently prohibited from exercising any public function." The legislator stated that this drastic and severe addition is necessary to prevent any attempts at constitutional reform such as the one of 1920, under the Leguia government. "The country still remembers its disastrous consequences," she said. The Populist senator, still citing

sources, indicated that except for the Constitution of 1926, the other six constitutions this country has had prohibited the immediate reelection of the president. Our current Constitution also prohibits it, and for the good of the democratic system, we should not try to modify it, she reiterated. She indicated that to prevent any attempt at constitutional reform that would threaten this article, as is now being done in a bill submitted to the Chamber of Deputies, the above-mentioned addendum is necessary. Its text is similar to that contained in Article 142 of the 1933 Constitution. "We are certain that all defenders of the democratic system in Parliament will support this initiative," she declared. [Text] [Lima EL COMERCIO in Spanish 1 Dec 86 p A-4] 8926

CSO: 3348/126

END

END OF

FICHE

DATE FILMED

Feb 3, 1987